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SUSTAINABILITY REPORT 2022

Growing Responsibly



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SUSTAINABILITY REPORT 2022

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Contents

1 **Introduction** 3
- Message from Our CEO 4
- Introducing Capstone Copper 6
- Our Operations and Projects 7

2 **2022 Highlights** 8
- Summary of 2022 Highlights 9
- More 2022 Highlights 10
- Production and Financial Summaries 11
- Our Sustainability KPIs 12

3 **Responsible Business** 13
- Our Sustainable Development Strategy 14
- Our Vision and Values 15
- Governance 16
- Embedding Responsibility 19
- Operational Management and Compliance 21
- Stakeholder Engagement 23
- Materiality 24
- About Our 2022 Report 26

4 **2022 Material Topics and Results** 27
- Energy and Climate Change 28
- Water 36
- Tailings and Waste 43
- Biodiversity 50
- Air Quality 56
- Health and Safety 61
- Employment 69
- Community and Economic Impact 77
- Human Rights 84
- Anti-corruption 89

5 **Appendices** 92
Appendix A: Glossary 93
Appendix B: GRI and SASB Index 94
Appendix C: TCFD Disclosures 101
Appendix D: Additional Data and Other Disclosures 106

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Sustainability disclosures:
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Past sustainability reports:
- Capstone Mining Corp. (2021 and 2020)
- Mantos Copper (2021)

List of Graphs and Tables

	PAGE
Production of Metal Ore and Finished Metals (tonnes)	11
2022 Financial Snapshot (US$ millions)	11
Our Sustainability KPIs	12
Environmental Incidents	22
Energy Consumption (GJ)	31
Energy Consumption by Type (GJ)	32
Energy Intensity by Site (GJ/tonne Cu produced)	32
Scope 1 and Scope 2 Energy-related GHG Emissions and Emissions Intensity	32
Total GHG Emissions (tCO_2e)	33
GHG Emissions Intensity (tCO_2e/tonne Cu produced)	33
2022 Grid Electricity Emissions Factors by Country/Grid (gCO_2e/kWh) and Energy Type Mix	33
Summary of Water Withdrawal Results	39
Total Water Withdrawal by Quality (m^3)	40
Water Intensity (m^3/tonne Cu produced)	40
Total Water Withdrawals by Source (m^3)	40
Mining Waste Production (million tonnes)	47
Waste Generated by Composition (tonnes)	47
Operational Sites in or Adjacent to Protected Area and Areas of High Biodiversity Value	51
IUCN Red List Species with Habitats in Areas Affected by Operations	53
Air Emissions (tonnes)	58
Safety Performance by Site for Total Workforce	66
Lost Time Injury Frequency Rate	66
Total Recordable Injury Frequency Rate	66
Summary of Collective Bargaining Agreements at December 31, 2022	70
Total Capstone Workforce in 2022 Employee/Contractor Split	73
Capstone Workforce by Employee/Contractor Split by Site	73
3-Year Capstone Employees by Age Group (%)	73
2022 Capstone Employees by Age Group by Site (%)	73
3-Year Employee Gender Representation (%)	74
2022 Employee Gender Diversity by Site (%)	74
2022 Direct Economic Value Generated and Distributed (in US$ 000s)	81
2022 Local Employment	81
Spending on Local Suppliers	81



1 Introduction

Cost-effective Conductivity

An essential metal that facilitates decarbonization and electrification, copper is the most cost-effective, conductive material available, making it an indispensable metal for capturing, transporting and storing energy.

Source: Goldman Sachs Commodities Research, *Green Metals: Copper is the New Oil*, April 13, 2021



Message from Our CEO

Integral to our values, we are committed in our drive to direct our resources and the skills of our people to address some of the world's biggest sustainability challenges. Our growth is deliberate and responsible.

I am pleased to share our first sustainability report for the combined Capstone Copper. The business combination of Capstone Mining and Mantos Copper formed Capstone Copper in March 2022. Integral to our values, we are committed in our drive to direct our resources and the skills of our people to address some of the world's biggest sustainability challenges. Our growth is deliberate and responsible.

Copper is an essential metal that facilitates decarbonization and electrification; it plays a critical role in addressing the climate crisis. To paraphrase our Vision, our fundamental objective is to produce the copper needed to decrease the world's carbon footprint and do so in a safer and more responsible way. In this report, you will read about our first deep analysis of our carbon footprint.

The world faces other challenges, including a biodiversity crisis, chronic water shortages in many regions and an urgent need to lift people through economic opportunities. In 2022 we completed our Sustainable Development Strategy, which includes five pillars we consider strategic priorities: climate, water, biodiversity, tailings and communities. Each pillar has ambitious, achievable and measurable targets. For example, our climate target is to achieve a 30% reduction in GHG emissions from fuel and electricity by 2030. Next year, we plan to add a sixth pillar: Diversity and Inclusion.

In 2022 we underwent a steady and deliberate embedding of responsible practices in all areas. Some of our meaningful advances towards our targets in 2022 included the introduction of electric shovels at Mantoverde, a 14% decrease in total freshwater withdrawal, continued alignment of tailings governance with the global best practice standard, and new or enhanced biodiversity baselines at Mantoverde and Pinto Valley. As we publish this 2022 Report, I am delighted to announce that Mantos Blancos and Mantoverde were awarded the Copper Mark in 2023, the culmination of significant work over the last few years.

Reflecting on what has made us successful at Capstone Copper, I see several distinct ways we integrate financial, social and environmental considerations into our decision-making:

- **We seek win-win solutions and synergies.** While not all business combinations produce synergies, we are excited about the opportunities for the combined Capstone Copper. We look at all synergy opportunities through the dual lens of sustainability and enhanced financial viability. For example, in Chile, there can be a win-win for the marine environment and our finances if our Santo Domingo project can share a desalination plant with the nearby Mantoverde Development Project, an opportunity we started examining in 2022.
- **Another opportunity arises from the presence of cobalt in the waste stream of these two projects.** Cobalt is an essential input to battery production for a low-carbon economy. For our combined company, it is increasingly feasible to recover cobalt from tailings and repurpose it as a product.

Key facts about the values of copper are featured on section dividers of this report to highlight how we see copper as an essential resource in the energy transition to address the climate crisis.

Copper is an essential metal that facilitates decarbonization and electrification; it plays a critical role in addressing the climate crisis. To paraphrase our Vision, our fundamental objective is to produce the copper needed to decrease the world's carbon footprint and do so in a safer and more responsible way. In this report, you will read about our first deep analysis of our carbon footprint.

- **We prioritize health and safety with the goal that everyone works safely every day.** Safety is a core value for Capstone. We encourage employees at all levels to "lead by example" to support safe operations. In 2022 all sites met our safety objectives regarding reportable lost time incidents. We continue to emphasize a proactive approach to safety performance. Our sites prioritize their safety efforts through regular audits and assessments such as action-item close-out, incident and leading indicator analysis, and compliance with Safe Work Practices.

- **We reinvest in our operations and in so doing, benefit the communities that depend on our mines for employment.** Mining requires continual reinvestment to ensure long-term survival. As a combined company, we have the financial strength to undertake development projects such as the Mantoverde Development Project. This project will significantly extend the life of our mine, which will improve stability for our employees and contractors, their families and the communities that depend on them. The Mantos Blancos concentrator expansion completed in 2022 and the paste backfill plant completed at Cozamin in 2023 are additional examples of how we invest in our sites to extend their life.

- **We optimize our mines, waste streams and processing plants by seeking to harness the latest science and technology.** We position ourselves as fast followers of technology adoption. In this report, you can read about our dry stack tailings technology implementation at Cozamin.

- **We seek to increase the diversity of our workforce and build a culture of inclusion.** The issue of gender diversity is one of the biggest challenges for mining companies. We are delighted that in early 2023, we surpassed our gender diversity target for our Board; three of our seven board members are women. While we have had some success in recruiting women in operations, we need to provide a supportive environment on sites and in camps to address the locations where we have the most significant gender imbalance. I am pleased that in 2022, we hired our first female General Manager at Pinto Valley. We also recruited women to senior labour relations positions at Mantos Blancos and Mantoverde. Successful women leaders like these are sparking a cultural shift across our organization, propelling diversity and inclusion actions and outcomes.

I am proud of what our strong team has already accomplished in our first year as a combined company. We have the knowledge and commitment to drive progress on our sustainability goals and embed responsible practices into all aspects of the business. On behalf of our entire Board, Executive Committee and site managers, I'd like to thank all our Capstone employees, who together help us deliver the copper the world needs safely and responsibly.

John MacKenzie, CEO, Capstone Copper



Stories featured for material topics in this report illustrate how we are applying the dual lens of sustainability and enhanced financial viability in order to grow responsibly.

Introducing Capstone Copper

We do not pursue growth at any cost. Our growth is well managed, financially and environmentally, with consideration of our people and communities.

Capstone Copper Corp. was formed through the business combination of Capstone Mining Corp. and Mantos Copper (Bermuda) Limited ("Mantos Copper") on March 23, 2022 and is focused on copper production in the Americas.

Our head office is in Vancouver, Canada, and we have a second local office in Santiago, Chile. We operate four properties: Pinto Valley in Arizona, US; Cozamin in Zacatecas, Mexico; and Mantos Blancos and Mantoverde[1], both in Chile. We also have a fully permitted development project in Chile (Santo Domingo), brownfield exploration projects in Arizona and Mexico, and a greenfield exploration project in Brazil[2]. For details of our corporate structure, exploration activities and business combination, please refer to our website.

We are a growth-oriented company. We experienced dramatic growth in 2022 because of our business combination, and we expect further growth driven by the Mantoverde Development Project. Looking ahead, future growth may include the Santo Domingo project, or potential brownfield expansions at Mantoverde, Mantos Blancos and Pinto Valley. We do not, however, pursue growth at any cost. Our growth is well managed, both financially and environmentally, with consideration of our people and communities.

Our workforce includes 8,425 employees and contractors. Seventy-five percent of our employees are covered by collective bargaining agreements (2,280 in 2022).

Our copper production includes both concentrates and cathodes. While concentrates are produced at Pinto Valley, Cozamin and Mantos Blancos, our two Chilean operating mines are responsible for nearly all our cathode business. Our concentrates are produced from sulphide ore processed in mills where ores are ground and minerals are recovered through flotation. We sell the resulting concentrate to smelters and refiners in Japan, China and Chile. Cathodes are produced primarily from copper oxide ores and undergo a process of leaching with sulphuric acid, followed by solvent extraction and electrowinning (known as SX/EW). We sell cathodes to the US market; these are used as a finished product for copper anode, cables and rods. In 2022 we produced 158,800 tonnes of copper – 69% concentrate and 31% cathodes. Our mines also produce base metal by-products of zinc, lead and molybdenum, as well as precious metal by-products of silver and gold.

We serve domestic and international markets. US and Mexican products destined for export are transported by truck to the ports of Guaymas or Manzanillo, Mexico. Copper cathode from Pinto Valley is used domestically. Copper cathode from our Chilean operations is exported via the ports of Angamos or Antofagasta, Chile. Mantos Blancos also produces copper concentrate that we transport by truck to a smelter in Chile.

Our suppliers provide a broad range of products and services, which differ slightly at each operation. Supplies and services include fuel and energy, processing and extraction materials (e.g., explosives, reagents, sulphuric acid), heavy equipment, light vehicles, transportation and, where needed, contract mining. We also engage contractors with specialized expertise in design, engineering, exploration and operations. Sulphuric acid prices hit historic highs in 2022, which impacted our cathode business. There were no other major changes to the supply chains at our sites in 2022. We launched a responsible procurement program in 2021 and have begun surveying suppliers, but we do not yet have a full picture of potential material impacts in our supply chain.

Capstone is listed on the Toronto Stock Exchange under trading symbol CS. Orion (which includes Orion Fund JV Limited, Orion Mine Finance [Master] Fund I-A LP and Orion Mine Finance Fund II LP Partners) is Capstone's largest shareholder with a 32.15% interest at the end of 2022[3]. Hadrian Capital Partners (formerly GRM Investments Ltd.) is Capstone's second-largest shareholder with a 14.56% interest at the end of 2022. Our 2022 financial statements are contained in our 2022 Year-end Report to Shareholders and can also be obtained through the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval (SEDAR).

1 Mantoverde has a non-controlling 30% interest by a third party. We used the financial and operational control test of the GHG Protocol Corporate Standard to determine that Mantoverde emissions should be 100% included and have applied this approach to all material topics.
2 At the end of Q3 2023 Capstone notified Lara Exploration Ltd. regarding the termination of the Planalto Option Agreement for the greenfield exploration project in Brazil. During Q4 2023 the company expects to fully exit the project.
3 As of the date of this report, Orion's interest is at 23.73%.

Our Operations and Projects

Read more about our operations and projects online

PINTO VALLEY: A copper-molybdenum open-pit mine and one of only two operating mines located in the historic Globe-Miami mining district of Arizona, one of the oldest and most productive mining districts in the US. Pinto Valley is currently the second-largest private employer in the district. Pinto Valley has a current life of mine plan that extends through 2039 but is being assessed for possible extension.

Type of Mine:	Open pit
Workforce:	733
Closest Communities:	Miami, Globe, Greater Globe-Miami area, Superior (total pop. 30,900)
Closest Protected Area:	Tonto National Forest
Climate:	Semi-arid

COZAMIN: A copper-silver underground mine with a surface milling facility, located near the city of Zacatecas in the mineral-rich state of Zacatecas, Mexico. The mine currently has a life of mine plan that extends through 2030. However, in an effort to extend its mine life, brownfield exploration continues.

Type of Mine:	Underground
Workforce:	1,219
Closest Communities:	Hacienda Nueva, Zacatecas City, Morelos, Veta Grande, Guadalupe (total pop. 322,500)
Closest Protected Area:	CADNR 001 Pabellón; CADNR 043 Estado de Nayarit
Climate:	Semi-arid



Our Multi-asset Portfolio of Mines and Projects in the Americas

MANTOS BLANCOS: A high-grade copper mine in the Antofagasta region of Chile. In 2022 Mantos Blancos completed the Concentrator Debottlenecking Project (MBCDP) to increase throughput and currently has expansion studies underway.

Type of Mine:	Open pit
Workforce:	1,557
Closest Communities:	Antofagasta, Baquedano
Closest Protected Area:	None close to site
Climate:	Arid desert

MANTOVERDE: An open-pit, oxide heap leach copper mine in the Atacama region of Chile. We own 70% of the mine, and we are supported by our 30% partner Mitsubishi Materials Corporation ("MMC"). A significant expansion – the Mantoverde Development Project – is underway to support mining and processing of sulphide ore. This copper-gold project is expected to be completed in 2023. Proximity to our project at Santo Domingo presents possibilities for district integration.

Type of Mine:	Open pit
Workforce:	4,832 (includes significant number of short-term project-related contractors)
Closest Communities:	Chañaral, El Salado and Flamenco
Closest Protected Area:	Pan de Azúcar National Park
Climate:	Arid desert

SANTO DOMINGO: A fully permitted copper-iron-gold project located near the town of Diego de Almagro in the Atacama region in Chile. Santo Domingo has potential for producing cobalt, another metal with important clean energy applications.

Type of Mine:	Open pit
Workforce:	35
Closest Communities:	Mine site: Diego de Almagro (7 km, pop.15,200) Road/pipeline infrastructure: Chañaral (70 km, pop. 13,700) Port: Caldera (42 km, pop. 17,500)
Closest Protected Area:	Pan de Azúcar National Park
Climate:	Arid desert

EXPLORATION PROJECTS

In 2022 exploration continued in Arizona, Brazil, Chile and Mexico. Most of our exploration takes place within or near existing operations. This is done by operations staff and included within our operations' results. We have minimal additional exploration employees, and they are included within results for Corporate.

Note: The scope of data in this report excludes exploration activities.



2

2022 Highlights

Renewable Energy

Renewable energy systems around the world which generate power from solar, hydro, thermal and wind energy, rely on copper's efficient conductive properties.

Summary of 2022 Highlights

Our year began with the creation of a new company from the combination of Capstone Mining Corp. and Mantos Copper. For Capstone Mining, this meant the addition of two mine sites and approximately 4,000 more people to our workforce. For Mantos Copper, it meant shifting from a purely Chilean focus to being part of a multinational, public company.

From the outset we recognized shared values and a shared ambition to leverage our growth to positively impact our communities, people and shareholders. We also built on our longstanding recognition that positive outcomes can only be realized with diligent attention to our social and environmental impacts. Throughout 2022 we have been working steadily to align all our people and operations around this mandate to grow responsibly.

- **Integration:** Any business combination requires a process to integrate people and systems. While Capstone Copper operates as a decentralized organization, we do so from a foundation of shared values and clear policy commitments. Therefore, our first order of business in 2022 was to review and align our policies, drawing on the best practices of both corporate cultures. Integration of policies, procedures and standards continued throughout the year. See Governance.

- **Sustainable Development Strategy:** In 2022 we adopted a Sustainable Development Strategy, which will guide our future growth. We are proud of the result. The Strategy serves as a blueprint, ensuring alignment with our vision and values. It is supported by five strategic pillars, each of which have meaningful targets. See Sustainable Development Strategy.

- **Extending the Life of Existing Mines:** Extending the life of producing mines is one of our most important contributions to responsible growth. In 2022 Capstone continued to invest in significant development projects to extend the life of our mines and to make operations more efficient and competitive. With completion of the Mantos Blancos Concentrator Debottlenecking Project (MBDCP or Mantos Blancos Expansion), a new sulphide processing plant began operating in April 2022 and reached commercial production by year end. The plant extends the mine's life to 17 years and expands sulphide ore treatment capacity from 4 million tonnes to 7 million tonnes per year.

- **Diversity:** We continue to diversify our Board and management team. Patricia Palacios joined the Capstone Board at our May 2023 Annual General Meeting (AGM) becoming the third woman and first Chilean member. See Governance. In 2022 Lyndsay Potts became the first female General Manager for Pinto Valley. See Q&A. Our efforts to include more women cascades throughout the company. For example, we now have women in Labour Relations Advisor roles at both Mantoverde and Mantos Blancos. See story on Growing Opportunities for Women in Mining in Employment.

- **Enhanced Disclosures:** In our first year of reporting as a combined company, we not only integrated our sustainability data streams, but enhanced our disclosure as well. For example, readers will find more depth on processes for community engagement and biodiversity management. We also implemented a Capstone-wide database approach so we can report sustainability metrics for all sites with three years of data. Consequently, this is the first year we are reporting on a wide range of air emissions for all sites. We developed a company-wide baseline inventory for GHG emissions from fuel and electricity to inform our Sustainable Development Strategy targets.

More 2022 Highlights

Key Highlights	Priority*	Read More...
Transitioning to electric shovels, Mantoverde		Energy and Climate
Saving water with alternative dust suppressants, multiple sites		Water
Completing dry stack facility and paste backfill plant, Cozamin		Tailings and Waste
Protecting riparian areas, Pinto Valley		Biodiversity
Sharing data with the Global Biodiversity Information Facility, Mantoverde		Biodiversity
Completing the replacement of wet scrubbers, Pinto Valley		Air Quality
Improving contractor safety practices, Cozamin		Health and Safety
Concluding a new collective bargaining agreement, Pinto Valley		Employment
Promoting women into management roles, multiple sites		Employment
Supporting local fishers' unions, Mantoverde		Community and Economic Impact
Respecting Cultural Heritage, Pinto Valley		Human Rights

* Sustainable Development Strategy Priority

Q&A With Pinto Valley's New General Manager

As Pinto Valley's first female General Manager, Lyndsay Potts brings a wealth of experience. She has held positions in geotechnical services; mine management; health, safety and environment; and community relations, primarily in gold mining.

Q. I understand you're fairly new to Capstone. Do I detect an Australian accent?

A. Yes, I moved to Arizona from Australia with my family in November 2022.

Q. What made you a good fit for Pinto Valley management?

A. Probably the diversity of my experience. It's more than operations. I've also been involved in land permitting, ESG (environmental, social, governance), and diversity and inclusion, which are all important for Pinto Valley's growth.

Q. Speaking of diversity and inclusion, your appointment is a win for gender diversity in mining. What else is Pinto Valley doing to enhance diversity?

A. We have launched an on-site chapter for Women in Mining Arizona and are recruiting underrepresented groups such as Indigenous people and military veterans. However, our focus is on recruiting locally. We are doing a lot of career fairs at local high schools and using social media with a regional focus. We've been successful, with the proportion of local hourly workers now topping 70% from the nearest four towns.

Q. Why is local recruitment so important?

A. It's about community involvement. We want the community to see that we bring revenues, wages and pride. We're not just making donations — we are members of these communities. It's important for our growth plans that we earn the support of our communities. We also need to show we take their concerns seriously, such as their concerns about water conservation.

Q. You mentioned pride. How are you building pride?

A. We have embarked on a journey/path towards meeting the Copper Mark Criteria for Responsible Production which is more challenging for a legacy site such as ours. We are actively working to bring this site up to Copper Mark standards and challenging norms about what can be done with aging infrastructure. It has people excited.

Q. If we were to talk again a year from now, what do you think you would be most proud of?

A. That we're operating sustainably and reliably — conserving water, maintaining low turnover and sustaining production. We recently marked ten years of continuous operations and we want to keep that going.

Production and Financial Summaries

Presentation of Data

Capstone Copper's business combination took place in March 2022. With the exception of financial results, data for all years is presented on a combined basis (as if the businesses were combined since 2020) to allow for more meaningful year-over-year comparison. Refer to the Consolidated Financial Statements for the Year-Ended December 31, 2022 for presentation of financial information.

2022 Production Snapshot

We processed 16% less ore in 2022 than 2021, but achieved the same level of production. Processing was affected by the integration of pre-existing and new equipment installed as part of the Mantos Blancos Expansion which will deliver efficiencies and longer mine life.

Production of Metal Ore and Finished Metals (tonnes)

Production[1] of Metal Ore and Finished Metals (tonnes)	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Totals by Year 2022	2021	2020	% Change 2021-2022
Tonnes Milled[2]	19,027,000	5,491,000	0	1,353,000	25,871,000	25,156,847	24,581,830	3%
Tonnes to Leach[3]	0	10,955,000	23,248,000	0	34,203,000	46,406,000	47,372,000	-26%
Total Ore Processed	**19,027,000**	**16,446,000**	**23,248,000**	**1,353,000**	**60,074,000**	**71,562,847**	**71,953,830**	**-16%**
Copper Concentrate Produced	54,222	34,961	0	24,451	113,634	111,790	94,534	2%
Copper Cathode Produced	2,622	15,697	47,364	0	65,683	67,482	55,209	-3%
Total Copper Produced	**56,844**	**50,658**	**47,364**	**24,451**	**179,317**	**179,272**	**149,743**	**0%**

[1] Production data includes former Mantos operations for all of 2022 and prior years.
[2] Tonnes Milled refers to ore that is processed through a mill that uses a grinding and flotation process to recover sulphide mineral in a copper concentrate that is saleable as an intermediate product to smelters and refiners.
[3] Tonnes to Leach refers to ore that requires sulphuric acid leaching, solvent extraction and electrowinning to produce copper cathodes which are a finished copper product.

2022 Financial Snapshot[1] (US$ millions)

$1,296.0	$136.1	$5,380.9	$1,152.8
TOTAL REVENUE	NET INCOME	TOTAL ASSETS	TOTAL ECONOMIC VALUE DISTRIBUTED[2]

[1] Financial information corresponds to 2022 Consolidated Financial Statements for Capstone Copper which include results from former Mantos operations only from the date of the business combination.
[2] See Community and Economic Impact for further analysis of Economic Value Distributed.

Our Sustainability KPIs

We use sustainability KPIs to monitor key results. The business combination took place in March 2022. Results for all years are presented on a combined basis to allow for comparison. Material topics that are priorities in our Sustainable Development Strategy are indicated with unique icons.

Material Topic	Priority[1]	Sustainability KPI	2022	2021	2020
Energy and Climate		Total energy use (gigajoules)	8,581,929	7,636,865	7,186,509
		Energy intensity (GJ/tonnes processed)	48	43	48
		Total GHG emissions from fuel and electricity (tCO_2e)	671,142	676,699	647,574
		GHG emissions intensity (tCO_2e/tonne produced)	3.7	3.8	4.3
Water		Total water withdrawal (m^3)	18,344,313	18,297,407	18,874,634
		Water intensity (m^3/tonne produced)	102	102	126
Tailings and Waste		Total tailings (million tonnes)	25.2	24.4	24.0
Biodiversity		Total species of concern in areas of operations	188	168	180
Air Quality		Total particulate matter (tonnes)	35,204	38,217	30,922
Health and Safety		Lost Time Injury Frequency Rate (LTIFR)	0.15	0.22	0.11
		Total Recordable Injury Frequency Rate (TRIFR)	0.21	0.32	0.20
Employment		Total workforce	8,425	6,186	5,744
Community and Economic Impact		Percentage of spending on local suppliers	14%	13%	15%
Human Rights		Percentage of 1) proven and 2) probable reserves in or near areas of conflict[2]	1) 0% 2) 1%	n/r	n/r
Anti-corruption		Number of confirmed incidents of corruption	0	0	0

[1] Sustainable Development Strategy Priority. See table on page 14.
[2] Refer to the table on Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas in Appendix D. The material topic Human Rights was added in 2022, so data is not reported for previous years.

What Do We Mean by Sustainability, Sustainable Development and ESG?

Sustainability: We have called this report our Sustainability Report (consistent with prior Capstone reports) to reflect the breadth of the sustainability issues and performance it includes, and the diversity of stakeholder interests we consider.

Sustainable Development: We refer to our strategy for achieving our vision as our Sustainable Development Strategy because our vision recognizes the key role of copper production in sustainable economic development for all.

Environmental, Social and Governance (ESG): In the Governance section below and elsewhere in the report where investor interests are a focus, we refer to sustainability issues as environmental, social and governance (ESG) matters, using the ESG terminology common in capital markets.



3 Responsible Business

100% Recyclable

Copper is 100% recyclable without any loss in properties and is one of the world's most recycled metals. Recycling copper reduces the need for additional mineral extraction, which subsequently reduces associated emissions.

Source: International Copper Study Group, Copper Alliance *The World Copper Fact Book, 2020*

Our Sustainable Development Strategy

In 2022 we adopted our Sustainable Development Strategy, which outlines our pathway to realizing our 2030 commitments. It contains five priorities for our areas of greatest opportunity – climate, water, tailings, biodiversity and communities.

In 2021 we began a strategic development process which involved the entire senior leadership team, functional leads, mine management, staff with specialist sustainability knowledge and independent experts. It included research into sustainability topics, frameworks and peer strategies. Following the combination of the two companies, we engaged all our sites in identifying opportunities and setting goals. In 2022 we completed our Sustainable Development Strategy, which outlines our pathway to realizing our 2030 commitments. It contains five priorities for our areas of greatest opportunity — climate, water, tailings, biodiversity and communities. To create our climate goal, we developed a baseline inventory of GHG emissions across our active operations and set a target that aligns with the Paris Agreement. Each goal is supported by specific initiatives that optimize the opportunities across the company, as described in the relevant chapters.

	Climate	Water	Tailings	Biodiversity	Communities
Priorities	Reduce Capstone's carbon footprint.	Reduce freshwater withdrawals in water-stressed regions.	Achieve industry best practices for safe and responsible tailings management.	Minimize ecological impacts and protect biodiversity, aiming to deliver a net positive impact.	Proactively manage impacts and deliver socioeconomic benefits in line with local development priorities.
Goals	Develop and execute decarbonization strategies.	Reduce freshwater use intensity. Increase low-quality or recycled water as a proportion of total water consumed.	Adopt the Global Industry Standard for Tailings Management (GISTM).	Establish a common framework across Capstone for applying the mitigation hierarchy and prioritizing nature-related risks and opportunities. Achieve the successful regeneration of land restored by Capstone.	Develop a company-wide framework for managing social impacts and socioeconomic contributions, informed by recognized best practices.
Targets	100% of sites assessed against the Capstone Biodiversity Standard. Reclamation, reforestation and habitat restoration project-specific metrics are achieved.	Improvement against 2021 baseline year.	Implement the GISTM across all Capstone TSFs by YE 2028*. *Differs from the target published with the release of our Sustainable Development Strategy in March 2023.	100% of sites assessed against the Capstone Biodiversity Standard. Reclamation, reforestation and habitat restoration project-specific metrics are achieved.	100% of sites assessed against the Capstone Social Performance Standard.
Target Years	2030	2030	2028	2025	2025

Our Vision and Values

In March 2022 we updated our Vision and Values to reflect the Capstone Copper business combination. Together they constitute our highest-level policy statements. Everyone at Capstone must adhere to the same Values and global policies regarding business conduct and employee behaviour. We reinforce our Values through the statements and actions of our entire senior leadership team, daily actions such as "safety shares" to start meetings, our Code of Conduct and Values in Action safety and leadership training programs.

Our Vision is to create 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. **Our Values** provide a vital foundation for our decentralized operating model in which individual sites make independent decisions on a day-to-day basis, based on our governance framework and global policies, and their local geopolitical context, people, community and environmental factors.



Safety

Safety is non-negotiable. Making safe choices ensures, and can improve, the health and well-being of our people, contractors and communities. Zero harm is the ultimate goal.

Governance Framework

Translating Capstone Values into action is integral to our governance and accountability framework which includes Board-level oversight, executive-level accountability, and functional and operational responsibility.

See Governance

Global Policies

Applicable to all employees and the people working for our contractors, Capstone's framework of global policies includes policies for: Code of Conduct; Anti-Bribery; Diversity and Inclusion; Human Rights; Integrated Environment, Health, Safety and Sustainability; Respectful Workplace; Supplier Code of Conduct; Tailings Management and our Whistleblower Policy. See Appendix D.

Caring

We develop open and constructive relationships. We embrace diversity. We see ourselves as stewards of resources. We care deeply for our people, the environment and communities.

Accountability

We take ownership for ourselves and our work. We act with integrity. We do everything honestly, ethically, fairly and transparently.

Raw copper (pictured here) is a semi-precious, nonferrous, malleable metal present in more than 570 copper alloys worldwide. Source: copper.org

Excellence

We strive to excel at all we do. We continuously seek innovative ways to improve the business. We are focused on growth and committed to unlocking the full potential of ourselves, our teams and our resources.

Local Context

Day-to-day decisions at each individual mine site are based on the local geopolitical context, environmental factors and the people and communities involved.

Governance

Capstone's governance and accountability framework includes Board-level oversight, executive-level accountability, and functional and operational responsibility for Environmental, Social and Governance (ESG) matters.

Good Governance

Capstone and our Board of Directors believe in the importance of good corporate governance. The Board plays a central role in the governance process. Capstone's Corporate Governance Guideline guides the Board in exercising its duties, and our corporate governance practices comply with all applicable securities regulatory requirements.

The Board believes Capstone's governance system is effective and appropriate to its circumstances, and that there are appropriate structures and procedures in place to ensure the Board's independence from management, which are outlined in Capstone's Governance Guidelines.

Board Composition and Representation

The Governance, Nominating and Sustainability Committee assesses the independence of each Board director on an annual basis, as well as the independence of potential directors prior to nomination for election or appointment. In 2022 five of our eight directors were independent. John MacKenzie, Capstone's Chief Executive Officer; Darren Pylot, Capstone's Executive Chair and former Chief Executive Officer of Capstone Mining Corp.; and Istvan Zollei[4], a shareholder-nominated director, were considered to have material relationships with Capstone and were deemed to be non-independent. To enhance governance and ensure effective oversight, the Board appointed George Brack as the Lead Independent Director[5]. The Chair of the Board is not a member of the Executive.

As part of our Diversity and Inclusion Policy, Capstone sets targets for gender diversity of the Board. We achieved our goal in 2021 of having one woman director. At year end 2022 two (25%) of our Board members were women. We set a target of 30% women on the Board by 2023 and achieved it at the May 2023 Annual General Meeting. All our Board members are over 50.

ESG Oversight, Accountability and Responsibility



We do not recruit Board members to represent any particular stakeholder group and we do not have targets for representation of social groups that are commonly under-represented, but we did add our first Latin-American member at our May 2023 AGM.

The composition of our current Board can be found on our website with details of member experience and competencies in our 2023 Management Information Circular. All Board members have experience in sustainability matters and two have an expert level of knowledge. Several members have competencies relevant to impacts associated with our Sustainable Development Strategy priorities. See table on page 17.

ESG matters are regularly discussed by the Board, which further raises the sustainability competencies of all directors. We also incorporate sustainability and ESG knowledge, including guest presentations, into our Board development processes. In 2022 we focused on building shared competency in climate change.

4 Istvan Zollei stepped down from the Board and was replaced by independent director Patricia Palacios at our May 2023 AGM. See table on page 17.
5 George Brack stepped down from the Board in May 2023 and was replaced as Lead Independent Director by Peter Meredith.

Board Competencies Related to Sustainable Development Strategy Priorities

Board Members[1]	General Sustainability	Climate	Water	Tailings	Biodiversity	Communities
Alison Baker	✓	✓				
Robert Gallagher	✓			✓		✓
Anne Giardini	✓	✓			✓	✓
John MacKenzie	✓	✓	✓	✓	✓	✓
Peter Meredith, Lead Director	✓		✓			✓
Patricia Palacios	✓	✓	✓			✓
Darren Pylot, Chair	✓					

[1] Table indicates Board composition from May 2023 AGM. Former Board members in place at year end included George Brack (with experience in general sustainability) and Istvan Zollei (with experience in tailings and general sustainability competency).

Capstone Welcomes New Director from Chile

At our May 2023 AGM, Capstone's Board welcomed our newest Director, Patricia Palacios. With this appointment Capstone exceeds our goal of having 30% women directors on the Board. Patricia Palacios is also the first Chilean member of the Board. She brings an extensive legal background, experience in sustainability and community liaison, strong management and governance experience, and a strategic vision for Chile. Learn more about Patricia Palacios.

30%

women on Capstone's Board of Directors by 2023. This gender diversity target was set as part of our Diversity and Inclusion Policy, and was successfully met by our May 2023 Annual General Meeting.

Board Oversight of Sustainability and ESG

The whole Board is engaged on Sustainability or ESG matters, as set out in our Board Oversight of ESG Terms of Reference. The Executive Committee reports quarterly to the Board on ESG matters and corporate ESG objectives.

Capstone's Board oversees the policies, management practices and controls with respect to Capstone's Sustainable Development Strategy and ESG risks and opportunities. The Board approves CEO and Executive compensation. Shareholders have a non-binding say on pay. At the May 2023 AGM, Capstone's approach to executive compensation garnered 98.68% shareholder approval.

The Governance, Nominating and Sustainability Committee annually assesses the independence of each director and any nominees, and is responsible for our diversity and inclusion commitments as they relate to Board composition. In 2022 the Committee emphasized the recruitment of female directors.

In 2022 we added sustainability oversight to the role of the Governance, Nominating and Sustainability (GNS) Committee. The Committee oversees the integration of Capstone's ESG and business strategies and incorporation of ESG risks into our Enterprise Risk Management framework. In 2022 the Governance, Nominating and Sustainability Committee received the Sustainable Development Strategy. Our other Board committees have specific responsibilities relevant to the oversight of ESG. See table on page 18.

We have Director Succession Plans and Director Recruitment Guidelines that ensure the Board has the necessary sustainability knowledge and skills. Board members receive sustainability education through guest presentations, external courses and self-study. We review effectiveness of our committees through an annual Board effectiveness questionnaire. In our 2022 questionnaire, ESG was not a specific category.

The whole Board is engaged in Sustainability or ESG matters, as set out in our Board Oversight of ESG Terms of Reference. The Executive Committee reports quarterly to the Board on ESG matters and corporate ESG objectives.

Board Committee Responsibilities for ESG

Board Committee and ESG Role	Specific Areas of ESG Oversight Responsibility
Audit Committee is engaged on any ESG risks that could be financially material	**ESG disclosures:** Ensures disclosures are both qualitative and quantitative as appropriate. **Processes and controls:** Ensures disclosures are accurate, comparable and consistent. **Assurance:** Ensures disclosures are reliable by independent assurance. **ESG risks** specific to the Audit Committee.
Human Resources and Compensation Committee oversees remuneration processes	**Accountability:** Ensures ESG goals are integrated into executive compensation. **Talent and culture:** Ensures senior management has the right people in place to execute the ESG strategy. **ESG risks** specific to the Human Resources and Compensation Committee.
Governance, Nominating and Sustainability Committee has oversight responsibility for strategic sustainability matters delegated by the Board	**Engagement:** Ensures ESG story is being effectively communicated to investors and stakeholders. **Board composition:** Ensures the Board has the necessary expertise and skills to oversee ESG risks and opportunities. **Education and training** for directors and senior management. **ESG risks** specific to the Governance, Nominating and Sustainability Committee.
Technical and Operational Performance Committee oversees site-specific risks and performance in health, safety, environment, tailings and community relations	**Reporting:** Ensures accurate and measurable technical data and performance. **ESG risks** specific to the Technical and Operational Performance Committee.

Embedding Responsibility

Capstone's commitment to ethical and responsible mining is deeply rooted in our business philosophy. Our key tools for embedding and managing ESG commitments include a comprehensive suite of ESG policies, enterprise risk management accountability scorecards and the training and development our people need to execute their responsibilities.

Accountability

Accountability for ESG impacts and performance is in place at all levels of the organization. The Chief Operating Officer has overall responsibility for sustainability impacts. Site General Managers have operational responsibility for ESG and are supported by corporate functional leads. We have specific ESG functions at Pinto Valley, Chile and our corporate offices. We also have an external independent compliance officer specializing in human rights and ethics, who reports directly to a member of the Executive Committee.

ESG performance is directly linked to executive compensation through our corporate scorecard. Our 2022 corporate scorecard placed 30% of the weighting on ESG factors including safety performance, environmental incidents and achievement of site-specific projects related to ESG. Site-level scorecards also include ESG factors.

Policies

Capstone has a robust ESG policy framework. To lay a solid foundation for the combined company, we undertook a comprehensive policy review and implemented globally applicable policies on our first day of operations as Capstone Copper. These include our Code of Conduct Policy; Anti-Bribery Policy; Diversity and Inclusion Policy; Human Rights Policy; Integrated Environment, Health, Safety and Sustainability Policy; Respectful Workplace Policy; Supplier Code of Conduct; Tailings Management Policy and Whistleblower Policy. All these policies apply equally to our employees and the people working for our contractors. The table on Global Policies Relevant to Sustainability in Appendix D indicates their basis in international norms as well as how they incorporate due diligence and whether they stipulate respect for human rights and the application of the precautionary principle.

Notably, our Human Rights Policy commits us to adhere to the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Process for Reporting, Investigating and Resolving Ethical Concerns

We also have a Whistleblower Policy and a Whistleblower hotline for reporting actual or suspected fraud, ethical concerns, violations of company policies, breaches of law, human rights violations and financial misconduct. Any concerns go directly to the Audit Committee Chair and the SVP, Risk, ESG and General Counsel. Concerns that arise through other channels are also entered into our reporting channel. In this way all concerns undergo the same reporting and investigation process. Concerns are discussed at the next quarterly Board meeting, unless the matter requires more urgent attention.

In 2022 Capstone received 14 concerns. These concerns primarily consisted of internal employee reports.

Capstone's Whistleblower Hotline

Capstone has engaged Integrity Counts, a Canadian provider of global ethics reporting services, as an independent and external administrator of our Whistleblower hotline. Integrity Counts can be reached by phone, email or website, in English or Spanish.

- North America, toll-free: 1-866-921-6714
- Mexico, toll-free: 001-800-099-0642
- Chile, toll-free: 12300203914 or 188-800-801-033
- Email: capstone@integritycounts.ca
- Website: https://www.integritycounts.ca/org/capstone

Investigations revealed that these were minor human resources issues, and we took prompt and effective measures to address them. Specifically, nine of these cases were found to be unsubstantiated, and the remaining cases were appropriately remediated and closed.

Our investigation process typically involves the following steps. Upon receiving a report, the Audit Committee Chair and SVP, Risk, ESG and General Counsel review the reports, then delegate to the appropriate investigators. In Chile, an Ethics Committee is involved, comprising representatives from human resources, finance and external legal counsel. They may, on occasion, engage a third-party investigative company to assist with their investigations.

We communicate our policies to employees through our intranet platform. New employees agree to comply with these policies during their onboarding process, and annual sign-offs are conducted to ensure ongoing adherence. To promote continuous learning and compliance, employee training and testing on the Code of Conduct and all supporting policies, including Anti-Bribery, Human Rights, Respectful Workplace and Whistleblower policies, alternate bi-annually.

Our Board of Directors has a separate online platform to communicate and obtain annual sign-off on the policies. In addition, we extend the reach of these policies to our suppliers. They are expected to adhere to our policies and are provided with access to our supplier hub, where the policies are made available for review. This ensures our suppliers are aware of our policies so they can uphold Capstone's standards. Capstone is developing site-level procedures to ensure suppliers review and sign off on these policies. See table on Global Policies Relevant to Sustainability in Appendix D.

Risk Management

Management is responsible for identifying, evaluating, managing and mitigating Capstone's exposure to risk. It is the Board's responsibility to provide oversight on the key risks facing Capstone and review management's strategies for risk mitigation. We empower all our operations to identify and reduce risk and apply risk-based decision-making to all activities.

The Technical and Operational Performance (TOP) Committee is specifically charged with oversight of social and environmental risks. Risks relating to social or environmental impacts are documented and reported through our Enterprise Risk Management (ERM) framework. See the 2023 Management Information Circular for more information on Capstone's ERM.

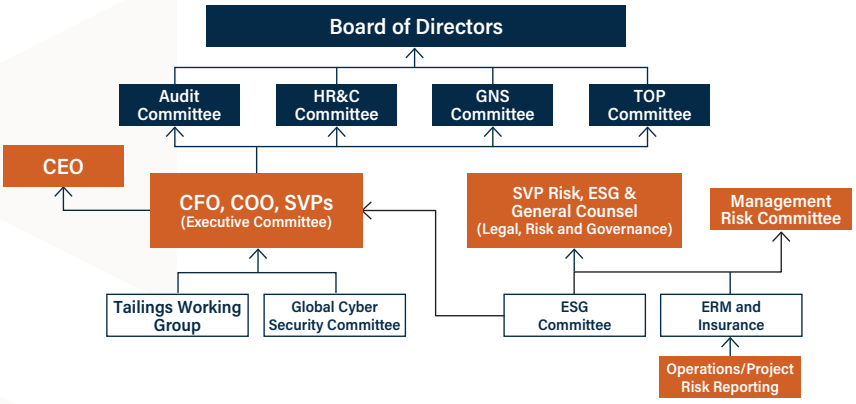
Site and corporate teams collaborate to identify and assess risks. Detailed risk registers are developed for the operating sites, major projects and corporate activities. The site and project risk registers are assessed, evaluated and updated through regular workshops and meetings with General Managers and their respective management teams. Top risks at each site are regularly discussed during management meetings. See TCFD Disclosures for more information about how Capstone manages climate-related risks.

The ESG Committee is led by our SVP, Risk, ESG and General Counsel and is tasked with assisting management in leading the ESG strategy and initiatives across Capstone. The ESG Committee identifies, assesses, and determines ESG risks that are material for Capstone. It also plays a role in ensuring the risk management and internal control systems are in place for managing ESG risks.

We assess risk for all new suppliers and renewal of supplier contracts. In 2022 we began piloting new responsible sourcing practices that arose from our 2021 current state and best practices review. These practices will enable us to identify potential ESG risks in our supply chain and monitor compliance with our Supplier Code of Conduct.

The diagram below shows the governance structure of Capstone's ERM framework.

Governance Structure of Capstone's ERM Framework





ESG Training and Development

Embedding our ESG commitments includes training and leadership development at all levels. Employees receive job-related training relevant to the environmental or social risks they deal with annually. This includes training on the Global Reporting Initiative (GRI), the Copper Mark assurance process and environment, health, safety, and sustainability (EHS&S) priorities, as well as biodiversity, archaeology and waste management. In addition, all supervisors, executives and decision-maker employees (e.g., contract managers) receive compliance training.

Capstone's Mantoverde operation

Operational Management and Compliance

At the operational level we have planning processes, operational management systems, standards and practices, and various collaboration initiatives. These tools ensure we plan responsibly, maintain operational excellence and comply with permits and regulatory requirements.

Planning, Permitting and Compliance

Compliance with laws and standards is a requirement for all Capstone employees and is embedded in our Code of Conduct and our core value of Accountability. Our Supplier Code of Conduct ensures our suppliers comply with our expectations for conduct and operate in compliance with applicable laws and standards.

All jurisdictions in which we operate have environmental laws and regulations that govern expansions and operations. As we are in a growth phase, we develop detailed environmental impact assessments for any significant expansion. We plan for 20 to 30 years into the future, taking into consideration multiple environmental aspects and stakeholders. Once accepted by regulators, these environmental impact assessments form the basis for the mine plans. Environmental permits set the performance standards we must meet to ensure we are operating in a manner that protects the environment.

To satisfy regulators, our plans address any significant potential negative impacts and include measures to proactively minimize the impacts. The combination of planning and risk management greatly reduces the need for remediation. We are committed to cooperate in any necessary remediation that springs from impacts we cause or contribute to. We have a track record of cooperating with authorities even when we did not cause any impact, such as our remediation of the historic Chiripa site. See Tailings and Waste.

Environmental Incidents

Our corporate scorecard includes a metric related to the prevention of environmental incidents, the bulk of which are small spills of fuel or lubricants. To achieve this, we empower and motivate individuals to take an active role in our environmental performance through their daily activities and observations. Environmental incidents are reported internally as soon as they happen. We implement

Environmental Incidents

Environmental Incidents	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Totals by Year 2022	2021	2020
Non-reportable Incidents	12	11	8	1	0	32	26	17
Reportable Incidents	0	1	1	0	0	2	2	1
Volume of Reportable Spills (litres)	0	200,000	0	0	0	200,000	684,501	0

We manage our most direct impacts on the local environment and communities at the operations level. Our sites use a combination of management systems, procedures and engineering controls, as well as employee education and training.

corrective actions such as equipment repairs or changes to standard operating procedures. Corrective action also includes training, such as root cause analysis (RCA), which contributes to improved awareness and fewer incidents. For instance, RCA at Pinto Valley influenced the decision to replace wet scrubbers with more effective models.

There are also regulatory requirements for our sites to report spills, releases of certain types and quantities of materials, or other incidents such as wildlife encounters to government authorities. We categorize these incidents as "reportable." Our company-wide objective continues to be zero reportable incidents.

In 2022 we had two reportable incidents. At Mantos Blancos a ruptured pipe resulted in release of approximately 200,000 litres of pregnant leach solution. See Tailings and Waste. At Mantoverde there was a biodiversity incident related to the capture and death of a fox within the MVDP project site. See Biodiversity.

In 2022 we did not have any significant instances of non-compliance with environmental laws or regulations that resulted in environmental fines or non-monetary sanctions issued to Capstone.

In 2022 Mantos Blancos continued to comply with the Chile Environmental Compliance Agency (SMA) resolutions related to a road deformation complaint submitted in 2020 by Sociedad Concesionaria Autopistas Antofagasta S.A. In August 2021 the SMA issued a resolution to Mantos Blancos relating to a deformation of Highway 5 near the mine site and changes in the water table. The resolution instructed Mantos Blancos to undertake a number of measures, including studies regarding possible causes for changes in the aquifer.

In April 2022 the SMA issued a resolution initiating a sanctionary process. In August 2022 Mantos Blancos submitted a recast compliance plan (PdCR) with 31 measures in total. Mantos Blancos has implemented the measures requested by the authority and executed all the precautionary controls to prevent impacts beyond its operation. Considering Mantos Blancos submitted a compliance plan and all measures were adopted by the company, SMA has not imposed any fine or penalty on Mantos Blancos.

We did not have any significant instances of non-compliance with other (non-environmental) laws or regulations that resulted in fines or non-monetary sanctions.

Operational Management Systems and Practices

We manage our most direct impacts on local environments, communities and economies at the operations level. To manage impacts, our sites use a combination of management systems, procedures and engineering controls, as well as employee education and training.

We closely monitor stakeholder feedback and expectations, regulatory requirements and innovations in technology to continually improve our performance. We have set targets to develop Capstone standards for biodiversity and social performance and assess all sites by 2025. See Biodiversity and Community and Economic Impact.

Industry and Community Collaboration

Capstone maintains memberships in industry associations that elevate industry standards, share best practices and keep us up to date on regulatory requirements. We are committed to supporting performance-driven industry initiatives. Our sites also participate in trade associations and civic service organizations.

At the operational level we have planning processes, operational management systems, standards and practices, and various collaboration initiatives. These tools ensure we plan responsibly, maintain operational excellence and comply with permits and regulatory requirements.



Capstone's Santo Domingo project

Stakeholder Engagement

Our sustainability commitment helps us attract the talent, business and community partners we need to help us achieve our goals. Our sustainability performance is important for maintaining the trust of local communities affected by our operations. We also seek business partners who share our values. In Chile, we are planning community-oriented projects with business partners who have a royalty interest in our sites.

Regular engagement with our stakeholders is part of our daily site and corporate activities and involves many different roles. We engage with our stakeholders and keep them informed of our activities through numerous channels. Refer to Community and Economic Impacts for information on site-level practices, and the table on Stakeholder Categories and Engagement Approaches in Appendix D.

Materiality

Material topics are those that represent the most significant impacts. Since we report to both GRI and SASB standards, we aim for "double materiality" in our analysis. This means we consider Capstone's impacts on the economy, environment and people ("inside-out" impacts) as well as ESG factors that could impact Capstone ("outside-in" impacts). The inside-out approach had been dominant at Capstone Mining, while the outside-in approach prevailed at Mantos Copper. Both predecessor companies had also considered the views of stakeholders in previous materiality assessments. Our approach for 2022 included methods grouped by the four steps in GRI 3: Material Topics 2021. Refer to infographic below.

At the workshop (see Step 4 below), we engaged participants in an exercise to prioritize topics using both perspectives through the value chain. Our workshop also included exercises to identify sources of information for contextualizing impacts and stakeholders we want to engage. The last two exercises will have more value for future materiality assessments as there was insufficient time in 2022 to follow up on all the context and stakeholder information. However, we believe our process satisfied, at a high level, the four steps in GRI 3: Material Topics.

Following the workshop, the list of material topics was refined and the final list was approved by the Executive Committee. See next page.

Our approach for 2022 included methods grouped by the four steps in GRI 3: Material Topics 2021. We engaged workshop participants in an exercise to prioritize topics using both the inside-out and outside-in perspectives through the value chain.

Applying the Four Steps in GRI 3: Material Topics 2021



STEP 1: Understand Capstone's context.

We compared 2021 material topics from both predecessor companies to determine relevant standards. For the inside-out perspective we used GRI topic standards and the GRI G4 Metal and Mining Sector Supplement. For the outside-in perspective we used the SASB Metals and Mining standard. We also used industry knowledge from past reporting cycles.

STEPS 2–3: Identify actual and potential impacts and assess their significance.

We held site-level meetings at Mantoverde and Mantos Blancos to review results from the prior year and considered whether any impacts had been overlooked or should be described differently. We also surveyed functional leads and others who interact with key stakeholders to identify the most material topics for those stakeholders. Based on this input and awareness of global sustainability trends, we prepared a draft list of material topics for the combined company.

STEP 4: Prioritize the most significant impacts for reporting.

We held a workshop with the ESG reporting team and functional leads to review the draft list and prioritize topics for reporting. In advance of the workshop, participants received information and pre-reading on our double materiality approach.

Following our materiality workshop with the ESG reporting team and functional leads, the list of material topics was refined and our final list below was approved by the Executive Committee.

2022 Material Topics

Material Topic	Related to Strategic Priorities	See Page
Energy and Climate		28
Water		36
Tailings and Waste		43
Biodiversity		50
Air Quality		56
Health and Safety		61
Employment		69
Community and Economic Impact		77
Human Rights		84
Anti-corruption		89



Stories featured for material topics in this report illustrate how we are applying the dual lens of sustainability and enhanced financial viability in order to grow responsibly.

About Our 2022 Material Topics List

Our material topics list reflects some changes from the material topics lists in both Capstone Mining's and Mantos Copper's 2021 sustainability reports.

Capstone Mining had previously reported a second tier of topics on a "watchlist." We decided to discontinue the watchlist as its usefulness has been surpassed by current standards. We evaluated every watchlist topic and added one of them, Human Rights, to the list of material topics. One factor that influenced its move onto the list was the security situation in Mexico. Human rights are well regulated in the jurisdictions where we operate. Our Human Rights topic also considers Indigenous Rights.

Some topics, such as Energy and Climate, as well as Community and Economic Impact, were combined because the impacts are highly related in a mining context. Some previous watchlist topics did not rise to the level of materiality but will be treated as subtopics of Employment. These include Labour Management Relations, Training and Education, and Diversity, Equity and Inclusion.

As it is now a standard GRI disclosure, Environmental Compliance was dropped as a material topic but remains an important topic for Capstone. Similarly, several of the topics previously listed in the 2021 Mantos Copper Report have been folded into our standard disclosures. The others matched previous Capstone topics.

About Our 2022 Report

Our first sustainability report for Capstone Copper, *Growing Responsibly*, continues a practice established by our predecessor companies — to report annually, presenting at least two years of historical information in addition to the current year.

Growing Responsibly is the first sustainability report for Capstone Copper, continuing a practice established by our predecessor companies. Past sustainability reports of Capstone Mining Corp. (2021 and 2020) and Mantos Copper (2021) can be found on our website.

This report, which covers the period from January 1 to December 31, 2022, has been prepared in accordance with GRI Standards and the SASB Metals and Mining Sustainability Accounting Standard, with some exceptions that are stated in the GRI and SASB Index.

The scope of this report covers all the entities included in the consolidated financial statements of Capstone Copper Corp. for the period ended December 31, 2022[6]. Unless otherwise indicated, all figures in this report are in US dollars. Data presented in this report include the four producing mines and our development project in Santo Domingo.

The Mantoverde Development Project is included under Mantoverde and the Mantos Blancos Expansion is included under Mantos Blancos. Where relevant and significant (e.g., employment), data includes our corporate offices. Exploration activities outside of operating sites are not significant and out of scope for most topics. Employee and economic data related to exploration are included with Corporate.

Our sustainability reporting period aligns with our financial reporting. Our practice is to report annually and to present at least two years of historical information in addition to the current year.

Financial information is presented on the same basis as the consolidated financial statements of Capstone Copper for the year ended December 31, 2022, and only includes results of former Mantos sites for the period since the business combination. No prior periods have been presented for the financial snapshot or economic value-added data.

For all other metrics, we present the data on a continuity of interests basis as if the companies had been combined since the beginning of 2020. Accordingly, we present two years of prior results. When there is a change in our method of measurement or estimation that could produce a significant change in results, we restate results for prior years. For 2022 this applied to our results for GHG emissions and freshwater use. See Energy and Climate Change and Water.

This report and those of our predecessor companies have not been independently assured.

This 2022 Sustainability Report was reviewed and accepted by the Board, and published November 30, 2023.

6 While the business combination took place March 23, 2022, we are reporting operational results for the full twelve months for all entities included.

Please Contact Us

For Capstone Copper's sustainability disclosures: sustainability@capstonecopper.com.

To download reports from previous years:

- Capstone Mining Corp. (2021 and 2020)
- Mantos Copper (2021)



4

2022 Material Topics and Results

Low-carbon Solutions

There is growing global demand for industrial and consumer low-carbon solutions such as electric vehicles, which require approximately four times as much copper than vehicles with conventional internal combustion engines.

Energy and Climate Change

Climate is a priority of Capstone's Sustainable Development Strategy. Our priority is to reduce Capstone's carbon footprint. Since our carbon footprint is closely tied to our energy use, we treat energy and climate change as one material topic. Energy refers to the fuel and electricity we use for mining, ore processing, transportation or other uses. Climate change refers to both our impacts through our greenhouse gas emissions (GHGs) and the impacts of a changing climate on our business.

Why This Matters

Mines have large fuel and electricity requirements that account for a significant portion of operating costs. Access to reliable energy sources at stable prices is important for the long-term viability of our operations. Energy use by our operations produces GHG emissions that contribute to climate change. These factors create a strong incentive for us to be efficient with our electricity and fuel use.

We contribute indirectly to GHG emissions through the business relationships in our value chain. Our customers (e.g., refineries), contractors (e.g., hauling), suppliers and business partners use electricity and fossil fuels in their operations. We have not yet assessed these impacts.

Climate change is an international, societal and industry concern, and important to our employees and customers. As governments introduce more measures to combat climate change, we are likely to face more stringent regulations or costs.

Our sites face vulnerabilities to climate change, due to higher temperatures and changing precipitation patterns. Arizona continues to experience unprecedented wildfires, drought and water shortages; when it does rain, increased intensity of rainfall can lead to flooding. Local communities near our operations share the same physical vulnerabilities to climate change. Our Human Rights Policy addresses access to water, human security and cultural values, beliefs and traditions, all of which could be affected by a changing climate.

Capstone is a major contributor to our communities through jobs, procurement and taxes. If our operations were halted due to extreme weather events or water shortages, there could be negative economic consequences for local economies. See Community and Economic Impact.

Sustainable Development Strategy Priority: Climate

PRIORITY

Reduce Capstone's carbon footprint.

TARGET

Reduce GHG emissions from fuel and power by 30% by 2030, compared to the 2021 baseline year.

STRATEGY

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

How We Manage Energy and Climate Change

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Approach	Description
Global Policy	Integrated EHS&S Policy
Governance	Technical and Operational Performance Committee
Risk Assessment	Climate change risks in Capstone's Enterprise Risk Management (ERM) framework; Climate risk assessment completed in 2022 for Mantos Blancos and Mantoverde
Training	Work procedures for energy-efficient operation of equipment
Technology	Equipment and initiatives to improve energy efficiency, electrify processes and reduce GHG emissions
Stakeholder Engagement	Engagement with investors on disclosure needs and global targets, energy suppliers on opportunities for renewable energy, and environmental authorities on collaboration to minimize impacts
Evaluation	Energy use monitoring and energy-saving initiatives, GHG emissions inventories and performance against reduction target

Reducing Our Carbon Footprint

We have a global target for carbon reduction. Climate change requires an urgent and collaborative response from industry and society. In our Sustainable Development Strategy, we set a formal target to achieve a 30% reduction in GHG emissions from fuel and power by 2030, using our 2021 GHG inventory as a baseline. See 2022 Results. Capstone also reports on the Taskforce on Climate-related Financial Disclosures (TCFD[7]) at a high level. See TCFD Disclosures.

We decentralize accountability for performance. Sites can influence their own fuel and electricity use, so they are each responsible for implementing systems and improvement projects that result in GHG reductions that will help us achieve our 2030 target. In 2022 Mantos Blancos and Mantoverde committed to the Copper Mark assurance process which includes criteria for the responsible management of energy consumption and GHG emissions[8].

We emphasize energy conservation and efficiency to reduce GHGs. Energy efficiency is a key criterion for upgrading equipment and securing funding for new capital projects on site. For instance, Pinto Valley has replaced several pieces of equipment that reached their end of life with newer, more fuel-efficient models. Some of the new equipment uses engines that exceed US EPA Tier 4 regulations and provide up to 20% fuel improvement in efficiency over previous models.

Our sites also continually look for efficiency opportunities in energy-intensive mine infrastructure. In 2022 Pinto Valley completed an efficiency study of the grinding circuit, which is responsible for two thirds of the mill's energy consumption. The results will inform mill improvements to be designed in collaboration with industry experts.

Cozamin complies with the current regulatory push for energy conservation, including limits set by Mexico's Federal Electricity Commission (CFE), which can trigger fines for overconsumption. As an incentive to encourage use of energy-efficient equipment, CFE penalizes commercial users who operate below a 90% efficiency threshold. Cozamin's objective is to maintain 98% efficiency.

We electrify equipment and processes where possible. Switching from fuel to electricity can be a pathway for reducing GHG emissions. In 2022 Mantoverde purchased four electric shovels, two of which were in operation late in

7 Task Force on Climate-related Financial Disclosures
8 Mantos Blancos and Mantoverde were awarded the Copper Mark in Q3 2023.

the year. These shovels are expected to displace five million litres of diesel fuel annually. See story on Introducing Electric Shovels. Mantoverde also uses an electrified conveyor system to stack and remove ore for heap leaching, reducing the use of haul trucks.

Quantifying our emissions keeps us on track. Our baseline GHG inventory is the foundation of our reduction target. See 2022 Results for more information about our inventory and target.

The jurisdictions where we operate also have climate change legislation and reporting requirements for energy use, and GHG or other emissions. Pinto Valley must submit an annual emissions inventory report to the Arizona Department of Environmental Quality.

Mexico's General Law on Climate Change mandates Cozamin to prepare an annual GHG inventory and have it independently verified. Under Chile's Energy Efficiency Law (No. 21,305) and its accompanying regulation Decree No. 28, Mantos Blancos and Mantoverde as large energy consumers are required to report total energy consumption, energy uses and energy intensity to the government. Santo Domingo will be subject to Chilean regulations once it begins operations.

Adapting to Climate Change

We take a risk-based approach to climate change. In line with TCFD guidance, we respond to two main categories of climate risk: physical risks arising from actual climate changes (such as extreme weather), and transitional risks such as reputation, insurance and the business impacts of governmental policy.

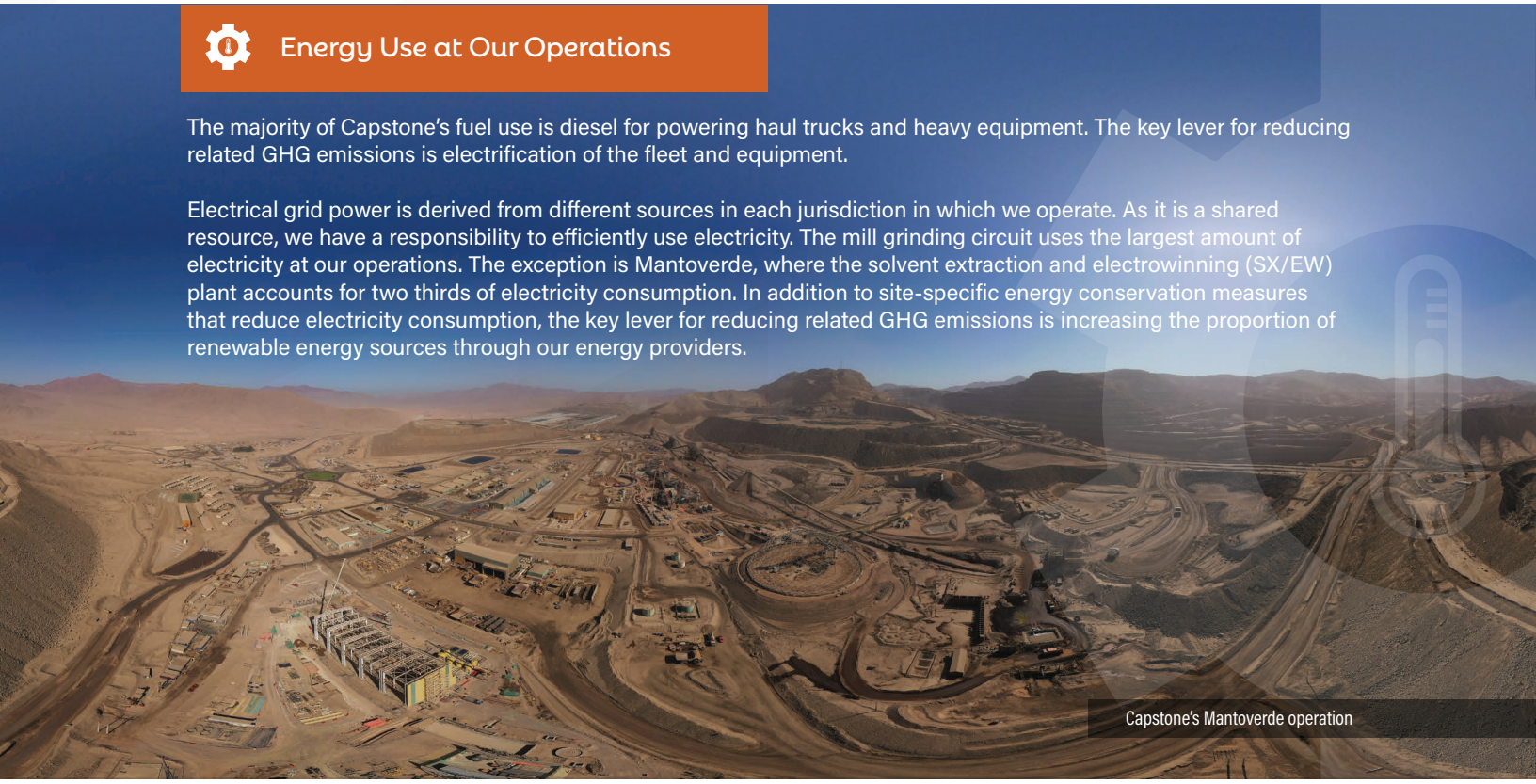
We manage physical risks to our assets or people — such as effects of extreme weather, wildfire or drought — through our ERM framework. We are also developing climate adaptation strategies that will allow Capstone to thrive across a spectrum of climate-related risk outcomes. For example, our Santo Domingo project will be built to address the threat of flooding in the region, as was experienced in 2015.

We recognize the impact of climate change on water resources. We operate in water-scarce regions where water availability may also be affected by climate change. We are prioritizing investments in technology and enhancements in operational practices to improve our water use efficiency, reduce our reliance on freshwater sources and make our operations more resilient. See Water.

Energy Use at Our Operations

The majority of Capstone's fuel use is diesel for powering haul trucks and heavy equipment. The key lever for reducing related GHG emissions is electrification of the fleet and equipment.

Electrical grid power is derived from different sources in each jurisdiction in which we operate. As it is a shared resource, we have a responsibility to efficiently use electricity. The mill grinding circuit uses the largest amount of electricity at our operations. The exception is Mantoverde, where the solvent extraction and electrowinning (SX/EW) plant accounts for two thirds of electricity consumption. In addition to site-specific energy conservation measures that reduce electricity consumption, the key lever for reducing related GHG emissions is increasing the proportion of renewable energy sources through our energy providers.



Capstone's Mantoverde operation

2022 Results

In 2022 Capstone defined our baseline GHG emissions and set a GHG reduction target aligned with the Paris Agreement. A consultant reviewed Capstone's operations and estimated Scope 1 and Scope 2 GHG emissions for all four operating sites. Fuel emissions are the most significant contributor to our Scope 1 emissions inventory. Scope 2 emissions represent emissions from our use of grid electricity.

The baseline estimate for Scope 1 included emissions associated with fuel as well as 'leach emissions' associated with our use of heap leaching at some sites, which is consistent with GHG Protocol guidance to include process emissions. Unlike fuel and electricity emissions calculations, however, there is no standardized method for calculating leach emissions and estimates can vary widely. At present, it is not common practice in the industry to report on heap emissions. We were not able to find examples of other companies disclosing these emissions.

While these emissions are likely material (greater than 5% of total emissions) we are excluding them from our results below, pending further analysis. Scope 1 emissions results also exclude refrigerants and explosives which are generally expected to be less than 5% of total GHG emissions. Our 30% reduction by 2030 target applies to our fuel and electricity emissions.

In 2022 Capstone Copper's total energy use rose by 12%, driven by increases in both fuel (13%) and electricity (11%) use. Major construction projects at Mantoverde (MVDP) and Santo Domingo (bypass road construction) contributed to higher diesel use. The ramp-up of the new sulphide processing plant at Mantos Blancos, the start of the Dump Leach Sur II facility and two new electric shovels at Mantoverde resulted in increased electricity use. Diesel and electricity use at both Pinto Valley and Cozamin stayed relatively constant. See graph on Energy Consumption by Type.

2022 production stayed constant. The higher energy use for construction projects coupled with the same level of production led to a 12% increase in energy intensity to 48 gigajoules per tonne produced. See graph on Energy Intensity by Site.

In 2022 Pinto Valley, Mantoverde and Cozamin purchased 100% of their electricity from the grid. At Mantos Blancos, 73% of its electricity came from I-REC Standard certified renewable sources through a Power Purchase Agreement (PPA). As a result, Capstone met 7% of its total energy needs in 2022 with renewable energy.

Energy Consumption (GJ)

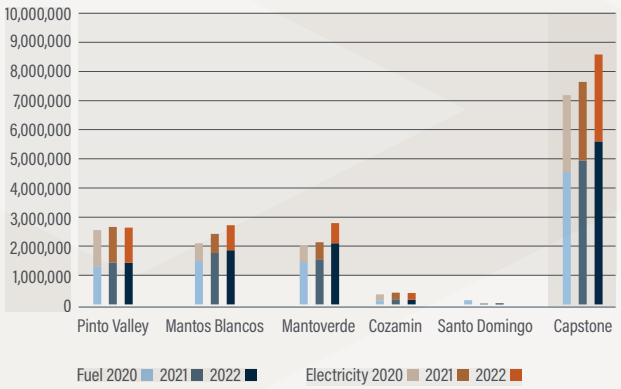
						Totals by Year			
Energy Consumption[1]	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**2022**	**2021**	**2020**	**% Change 2021-2022**
Fuel[2]	1,430,653	1,859,277	2,101,672	167,855	36,967	5,596,424	4,945,797	4,543,291	13%
Electricity	1,201,840	863,004	691,918	228,707	36	2,985,505	2,691,068	2,643,218	11%
Total Energy Consumption	2,632,493	2,722,281	2,793,590	396,562	37,003	8,581,929	7,636,865	7,186,509	12%
Percentage of Electricity from Grid	100%	27%	100%	100%	100%	100%	100%	100%	0%
Amount of Electricity from Renewables (GJ)	0	633,744[3]	0	0	0	633,744	0	0	–
Renewable Energy as Percentage of Total Energy[4]	0%	23%	0%	0%	0%	7%	0%	0%	–
Energy Intensity (GJ/tonne processed)	0.138	0.166	0.120	0.293	n/a	0.143	0.107	0.100	34%
Energy Intensity (GJ/tonne produced)	46	54	59	16	n/a	48	43	48	12%

[1] Includes energy required to support all extraction processing and associated activities on site. Does not include fuel requirements for transport of employees, supplies or concentrate.
[2] Fuel includes diesel, gasoline, propane and liquefied petroleum gas. Diesel consumption far outweighs other fuel types.
[3] Electricity was purchased through a power purchase agreement (PPA) with Guacolda Energia SPA that includes renewable energy certificates (RECs) certified by The International I-REC Standard.
[4] Renewable Energy Percentage is calculated by dividing Amount of Electricity from Renewables by Total Energy Consumption. Our method of calculating Percentage of Renewable Energy has changed and prior year data has been restated. The renewable portion of the electricity grid mix is excluded from the scope of renewable energy.

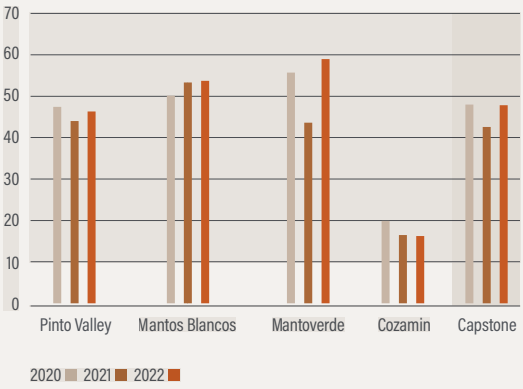
Scope 1 GHG emissions generally follow the pattern in fuel consumption. In 2022 both were up by 13%. Indirect Scope 2 emissions from electricity use dropped 15% even though electricity use rose 11%. This drop was due to significant reductions in the emissions from both the Chile (-28%) and Arizona (-22%) grids. See graph on 2022 Grid Electricity Emissions Factors and Energy Type Mix.

The increase in emissions associated with diesel were offset by the drop in electricity-related emissions. As a result, total GHG emissions related to fuel and power decreased slightly (-1%) despite increased diesel and electricity use. Emissions intensity per tonne of copper produced also decreased slightly to 3.7.

Energy Consumption by Type (GJ)



Energy Intensity by Site (GJ/tonne Cu produced)



Scope 1 and Scope 2 Energy-related GHG Emissions and Emissions Intensity

Energy-related GHG Emissions (tCO_2e) [1,2]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Totals by Year 2022	2021	2020	% Change 2021-2022
Scope 1 GHG Emissions[3] (tCO_2e)	99,395	129,397	146,266	11,674	2,573	389,305	344,053	316,034	13%
Scope 2 GHG Emissions[4] (tCO_2e)	124,190	72,157	57,852	27,635	3	281,837	332,646	331,540	-15%
Total GHG Emissions (tCO_2e)	223,586	201,554	204,118	39,309	2,576	671,142	676,699	647,574	-1%
GHG Emissions Intensity (tCO_2e/tonne processed)	0.012	0.012	0.009	0.029	n/a	0.011	0.009	0.009	22%
GHG Emissions Intensity (tCO_2e/tonne produced)	3.9	4.0	4.3	1.6	n/a	3.7	3.8	4.3	-1%
Emissions Covered Under Emissions-limiting Regulations (%)	0	0	0	0	0	0	0	Not reported	0%

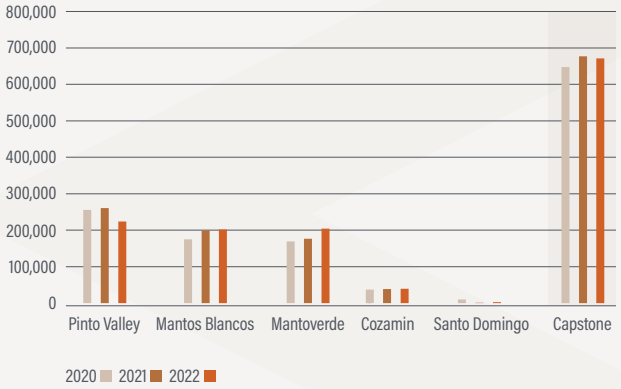
[1] Includes emissions associated with energy required to support all extraction processing and associated activities on site. Emissions factors for fuel and electricity have been updated to reflect current guidance and prior year data has been restated.

[2] Emissions are calculated in carbon equivalent tonnes (tCO_2e) and include CO_2, CH_4 (methane) and N_2O (nitrous oxide). Source for global warming potential factors is the Intergovernmental Panel on Climate Change 5th Assessment Report (IPCC 5) emissions data.

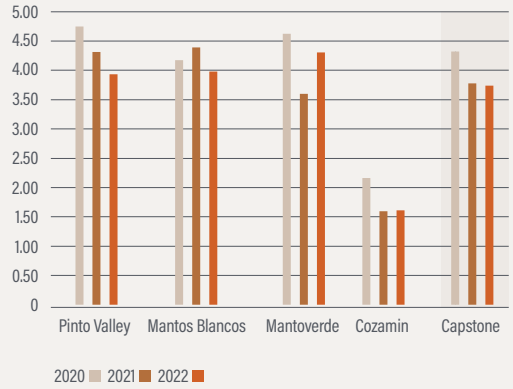
[3] Scope 1 GHG emissions are related to fuel consumption for activities controlled by our operations. Source for fuel emissions factors is the IPCC 5. Excludes explosives, refrigerants and process emissions from heap leach.

[4] Scope 2 GHG emissions are related to electricity purchased from other organizations. Sources for electricity emissions factors are: Arizona – SRP 2021, Mexican Secretariat of Environment and Natural Resources (SEMARNAT)/CFE 2022 mix and Chile - Coordinador Eléctrico National (CEN) Chile 2022 Systema Eléctrico National - SEN. Capstone only uses location-based emission factors because available data for Arizona and Mexico did not meet GHG Protocol Scope 2 quality criteria for market-based emissions factors.

Total GHG Emissions (tCO_2e)



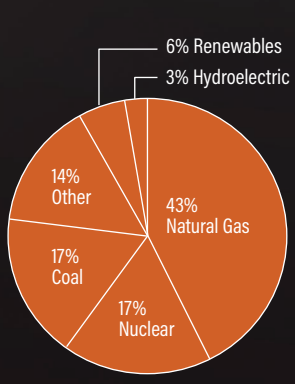
GHG Emissions Intensity (tCO_2e/tonne Cu produced)



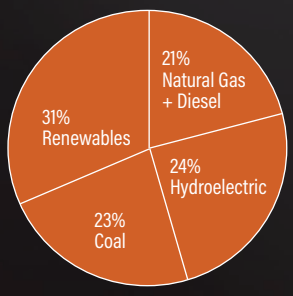
2022 Grid Electricity Emissions Factors by Country/Grid (gCO_2e/kWh) and Energy Type Mix

USA AZ-NM		CHILE - NATIONAL		MEXICO - NATIONAL	
2022	2021	2022	2021	2022	2021
372	476	301	419	435	423
-22%		-28%		+3%	
% CHANGE DUE TO INCREASE IN NUCLEAR SOURCES [1]		% CHANGE DUE TO INCREASE IN RENEWABLE SOURCES [2]		% CHANGE DUE TO DECREASE IN RENEWABLE SOURCES [3]	

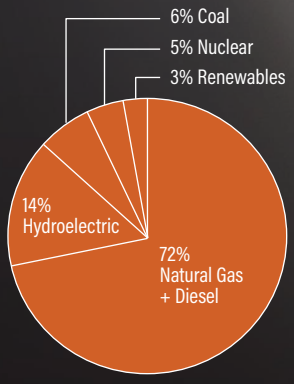
ARIZONA
2022 Grid Electricity Mix[1]



CHILE
2022 Grid Electricity Mix[2]



MEXICO
2022 Grid Electricity Mix[3]



1 Source: SRP and US Energy Information Administration (EIA)
2 Source: Coordinador Eléctrico Nacional (CEN)
3 Source: Comisión Federal de Electricidad (CFE)

MANAGING ENERGY AND CLIMATE CHANGE AT MANTOVERDE

Introducing Electric Shovels

The arrival of the first two electric shovels at Mantoverde in 2022 was highly anticipated. In addition to the shovel operators in the cab, there are cable operators whose role is to move the cables that supply power to the shovels, to accommodate the needs of the shovel operators.

One of the people eager to work with the new shovels was Noemi Contreras. Noemi joined the Mantoverde team through a major training initiative conducted in town. Mantoverde implemented a training initiative for people from the neighbouring communities, with no experience in mining, to learn to manoevre the medium voltage (7.2KV) cables. Noemi was one of three women hired at the conclusion of the training program.

In addition to the original course, each new recruit completed the usual Capstone induction as well as a month of practical training with the cables to master the teamwork required. Noemi reflects, "I saw this as a good opportunity and when I got selected, it became a personal challenge to enter the mining world, which is unusual for women."

The cable operators support the shovels as they move. While it represents a need for more people, the overall process is more efficient. The large buckets are able to move approximately 4,000 tonnes of material per hour, significantly reducing waiting time for the trucks. Jamie Figueroa, an experienced operator with both diesel and electric shovels, sums up the advantages. "The electric shovel makes our jobs much more productive. It makes much less noise than a diesel shovel and has no emissions. It is a win-win on all fronts."

4,000

tonnes per hour can now be moved by efficient electric shovels, significantly reducing emissions and noise, and waiting time for trucks.



Capstone's Mantoverde operation



Capstone's Pinto Valley operation

MANAGING ENERGY AND CLIMATE CHANGE

Looking Forward

In 2023 Capstone will:

- Establish a cross-functional ESG Disclosures Committee to enhance climate disclosures.
- Conduct a climate-related risk assessment using scenario analysis for all sites.
- Estimate Scope 3 emissions at Mantos Blancos and Mantoverde.

Beyond 2023 Capstone will:

- Seek ISO 50,001 Energy Management System certification at Mantoverde and Mantos Blancos (2024).
- Work with industry partners to assess emissions associated with heap leaching (2024).
- Achieve 50% renewable electricity in Chile (2025).
- Pursue Power Purchase Agreement (PPA) for solar powered electricity storage at Pinto Valley (2025).



Capstone's Cozamin operation

Water

Water refers to the ways we source and use water in our operations. While this topic focuses on water quantity, we also address water quality as part our management approach. This topic also covers the effects of water use for mining on other water users and communities.

Why This Matters

Globally, freshwater is an increasingly scarce resource that is further threatened by climate change. Water is critical to the mining process: we require reliable sources to maintain our operations. Water is also essential to society and our local communities, and we must responsibly share the water resource with those around us.

All our sites are in water-stressed regions[9] with the potential for water shortages. Arizona, in particular, has experienced extreme drought conditions over the last several years, leading to increased attention on water use. There are also cumulative impacts on local water resources resulting from different users competing for water in water-stressed areas. For these reasons water use is highly regulated in jurisdictions where we operate.

Sustainable Development Strategy Priority: Water

PRIORITY

Reduce freshwater withdrawals in water-stressed regions.

TARGET

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

STRATEGY

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

9 Aqueduct Water Risk Atlas, World Resources Institute

How We Manage Water

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Approach	Description
Global Policy	Integrated EHS&S Policy, Human Rights Policy
Governance	Technical and Operational Performance Committee
Training	For environment teams and operations personnel
Technology	Use of equipment and practices to reduce evaporation and improve water use efficiency
Evaluation	Outcomes of water balance modeling and monitoring programs, feedback from local communities

We recognize the shared value of water. Capstone's Human Rights Policy recognizes that access to clean water is a fundamental human right and we must use it responsibly. Accordingly, we treat water, especially freshwater, as a scarce resource using only what we need. We practice good water stewardship – using water efficiently, reusing water whenever possible and avoiding impacts to water. Water is a priority of Capstone's Sustainable Development Strategy and we report to the Board of Directors quarterly on water management and risks.

We reuse process water and prioritize low-quality water use wherever possible. As we operate in areas of water scarcity, our mines essentially operate as closed-loop systems. We minimize withdrawal of new water by maximizing use of reclaimed process water. Mantos Blancos and Mantoverde have water treatment plants and use treated water for irrigation and dust control.

We model our water balance to find opportunities for water savings. Our sites maintain water balance models that account for all sources and uses. We use this information to identify strategies to improve our water use efficiency. See 2022 Results for more information on 2022 water-savings initiatives.

We design sites to avoid impacts to water. Our sites, including future operations at Santo Domingo, do not have discharges to the environment except for groundwater seepage. Mantoverde discharges a small amount of brine water annually. See 2022 Results. While precipitation is infrequent, we prepare for stormwater events and maintain permits for emergency discharge of stormwater. We segregate any stormwater that comes in contact with mine waste from clean water that can be safely directed off site.

We monitor our water use to mitigate potential impacts. Mining activities, including storage of waste rock and tailings (see Tailings and Waste), can impact local surface and groundwater resources if not appropriately managed. We view compliance with water-related permit requirements as a necessary first step in mitigating negative impacts. To accomplish this, our environment teams monitor surface water quality and groundwater wells, conduct field inspections and regular surveillance of water infrastructure, and report results to regulators.

We collaborate for the benefit of all shared interests. Pinto Valley works with and responds to communities and stakeholders who have a shared interest in the health of the Pinto Creek watershed. The site has a regulatory commitment to host and facilitate annual meetings with Pinto Creek stakeholders to discuss Pinto Valley's water use and the water budget of the watershed. Following significant preparation in 2022, the first workshop was held in early 2023. Pinto Valley also works with the US Forest Service and other stakeholders to map and monitor wells, seeps and springs in the watershed, and funds the monitoring of US Geological Survey stream gauge stations along Pinto Creek. Cozamin committed to helping the municipality solve a capacity issue in the water treatment plant by providing materials required for the repairs. The project was completed in early 2023.

Mantoverde has important commitments for sharing desalinated water from the operation of the desalination plant. The site monitors environmental effects of seawater suction and brine discharge from the desalination process, with the participation of local fishing union members. The site also leads a desalination plant working group, also with the assistance of local fishing unions, to develop projects that benefit the local economy. See story on Growing Opportunities for Union Members in Community and Economic Impact.



Water treatment at Capstone's Mantos Blancos operation

Overview of Site Water Sources

PINTO VALLEY

Water Sources
- Impacted water from closed open-pit mines owned by third parties
- Process water reclaimed from tailings
- Treated water from the sewage treatment plant
- Groundwater wells around the mine site
- Captured rainwater when available

Considerations for Shared Use: Groundwater wells extract water from the regional water system. The Pinto Creek watershed is under pressure from extreme, ongoing drought as well as competing community, recreational and industrial uses.

COZAMIN

Water Sources
- Process water reclaimed from tailings
- Water removed from the underground mine
- Captured rainwater when available
- Wastewater from a municipal water treatment plant

Considerations for Shared Use: Local farmers also rely on wastewater from the municipal water treatment plant. Cozamin's wastewater use is governed by a contract with capacity limits, and the site's water management strategy focuses on maximizing the use of process water.

MANTOS BLANCOS

Water Sources
- Process water reclaimed from tailings
- Water from Aguas de Antofagasta (ADASA) for the concentrator
- Water from Ferrocarril de Antofagasta a Bolivia for use in the oxide line

Considerations for Shared Use: ADASA's water is sourced from a remote area in the mountains and piped to the city of Antofagasta, with a connection to Mantos Blancos. City needs for drinking water take priority.

MANTOVERDE

Water Sources
- Desalinated seawater from Capstone's desalination plant

Considerations for Shared Use: Mantoverde to sign an agreement in 2023 to provide 2-3 L/s desalinated water to the communities of Flamenco and Las Piscinas as part of its environmental permits. This represents all their water needs.

SANTO DOMINGO

Water Sources
- Purchased water from municipal sources for camp and potable uses during site preparation phase
- Desalinated seawater from Capstone's desalination plant in future operation

Considerations for Shared Use: Santo Domingo has a commitment to provide 10L/s desalinated water to Diego de Almagro to support future growth.

2022 Results

In 2022, both Cozamin and Pinto Valley reviewed their water balances, resulting in a significant change in the distribution of our freshwater and low-quality water use. Cozamin had been classifying all its groundwater as freshwater when in fact it meets the definition for low quality water.

Likewise, Pinto Valley's peak well groundwater was previously classified as 100% freshwater. An independent hydrogeological study estimated that 50-70% of our production well water from wells located downstream of TSF4 is comprised of tailings seepage water that is captured and reused by our facility. We revised our accounting by conservatively allocating 50% of our total peak well water to low-quality water and 50% to freshwater (naturally occurring groundwater). See Note 1 in the table below.

Most of the water consumed by Capstone in 2022 was from low-quality water sources (82%), including all water withdrawals by both Mantoverde and Mantos Blancos (seawater is considered low-quality water). While total water consumption remained steady at 18.3 million cubic metres, total freshwater use dropped 14%, from 3.8 to 3.3 million cubic metres. The change in the proportion of freshwater withdrawals from 21% to 18% was primarily due to increased pit dewatering at Pinto Valley — a low-quality water source. See graph on Total Water Withdrawal by Quality.

Capstone sourced four different types of water in 2022: surface water (9%), seawater (15%), groundwater (33%) and third-party water (43%). See the table on Water Withdrawal and Discharge by Site in Appendix D and the graph on Total Water WIthdrawals by Source.

Water use intensity also stayed constant at 102 cubic metres per tonne produced. Pinto Valley has a higher water use intensity than other sites due to the lower grade of its ore body, requiring them to mill more tonnes of ore to float the same amount of copper. Milling more tonnes at a lower grade generates more tailings which requires a larger volume of water to deliver to the TSF. Cozamin as an underground mine has the lowest water use intensity. See graph on Water Intensity.

All of Capstone's freshwater withdrawals are in regions with High or Extremely High Baseline Water Stress. According to the World Resources Institute Aqueduct Country Rankings Tool, Arizona (Pinto Valley) has High Baseline Water Stress, and Zacatecas (Cozamin), Antofagasta (Mantos Blancos) and Atacama (Mantoverde and Santo Domingo) all have Extremely High Baseline Water Stress.

Mantoverde is the only site that discharges water on a regular basis. In 2022 the site discharged 4,062 cubic metres of brine to seawater (2021 had 4,264 m^3). All discharges met Chile's Norma de Emision DS 90 emission standards for liquid waste discharge to marine and inland surface waters, which stipulate that discharge water not exceed the salinity of natural seawater.

There were no incidents of non-compliance related to water use in 2022 at any sites.

2022 Water Conservation Initiatives

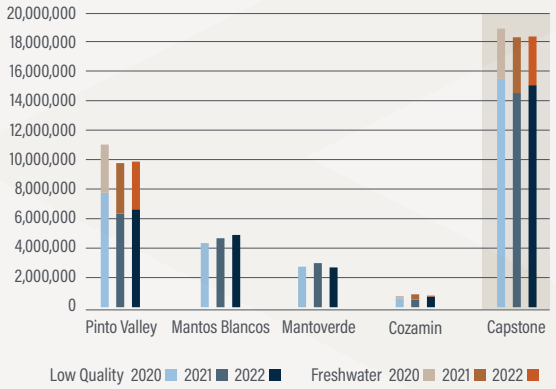
In 2022 our sites implemented various strategic water conservation initiatives. Pinto Valley used alternate tailings deposition methods to reclaim more water from its TSF and deployed physical and chemical inhibitors to reduce evaporation. Upgrades to the centre walls of the tailings thickeners in 2021 resulted in savings of about 3000 L/min due to water recovered from thickener overflow. Cozamin completed construction of the dry stack tailings facility. The facility is expected to reduce water withdrawal by 15% after the plant starts operating in 2023. All sites realized water savings from increased use of dust suppressants on roads. See story on Suppressing Dust in a New Way.

Summary of Water Withdrawal Results

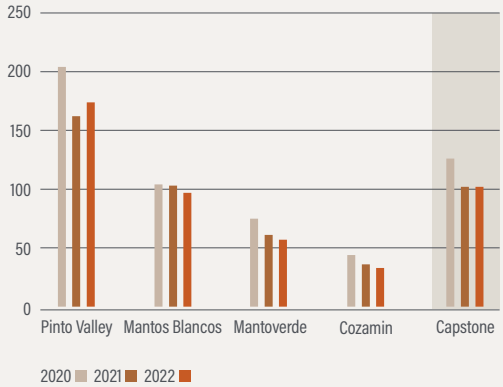
						Totals by Year			
Results	**Pinto Valley**	**Mantos Blancos**	**Mantoverde**	**Cozamin**	**Santo Domingo**	**2022**	**2021**	**2020**	**% Change 2021-2022**
Total Water Withdrawal (m^3)	9,864,524	4,899,818	2,697,126	793,335	89,510	18,344,313	18,297,407	18,874,634	0%
Water Intensity (m^3/tonne processed)	0.52	0.30	0.12	0.59	n/a	0.31	0.26	0.26	19%
Water Intensity (m^3/tonne produced)	174	97	57	32	n/a	102	102	126	0%
% of Withdrawal that is Freshwater[1]	33%	0%	0%	8%	0%	18%	21%	18%	-14%

[1] Pinto Valley and Cozamin have updated the method of calculating freshwater use. Previously reported data for 2020 and 2021 have been restated.

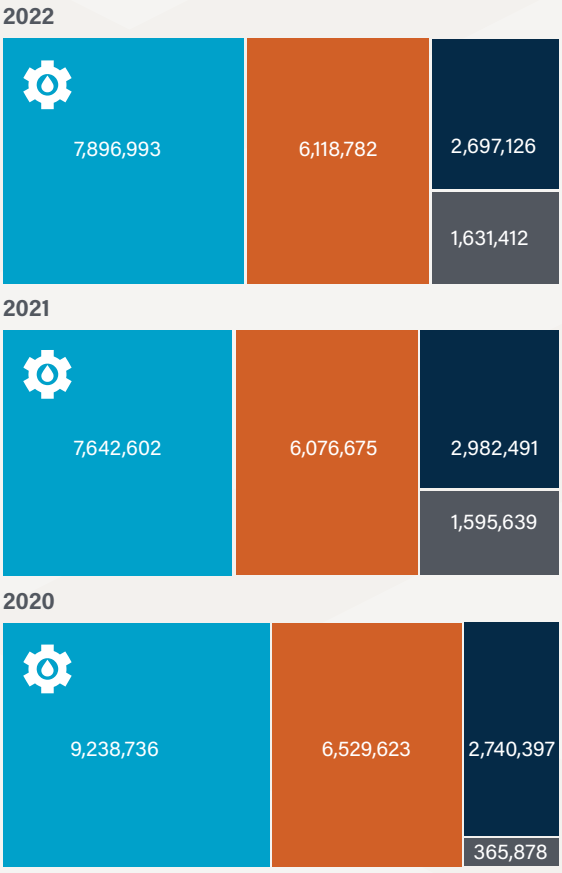
Total Water Withdrawal by Quality (m³)



Water Intensity (m³/tonne Cu produced)



Total Water Withdrawals by Source (m³)



18,344,313 m³
TOTAL ALL SOURCES

18,297,407 m³
TOTAL ALL SOURCES

18,874,634 m³
TOTAL ALL SOURCES

Capstone sourced four different types of water in 2022:

1] Third-party water	43%
2] Groundwater	33%
3] Seawater*	15%
4] Surface water	9%

*Seawater is considered low-quality water.

MANAGING WATER AT PINTO VALLEY

Suppressing Dust in a New Way

Managing dust is a full-time preoccupation for Pinto Valley Operations Superintendent Lyn Jugler. His team works closely with the environmental department to ensure air quality permits are met. They are highly aware of the impact dust can have on nearby towns or people using the major road that passes by the mine. It's also a workplace concern. As Lyn puts it, "Nobody wants to breathe dust all the time."

Water trucks operate continuously to manage dust on the roads in and around the pit. However, in the heat of summer, the benefit of watering only lasts about fifteen minutes. That's why Pinto Valley was keen to try a new product made of magnesium chloride that can be mixed 1:1 with water in the watering trucks. The product binds fine dust particles together, preventing them from getting airborne. This stretches out the time frame for rewatering by hours or even days.

Pinto Valley tested it in the summer of 2022 on some high-traffic roads and were very happy with how it performed. To make the best use of a fairly expensive product, they apply it as a spot treatment on fixed roads, but not temporary roads deep in the pit that may only be used for a week. Lyn estimates that two thirds of their roads are being treated regularly, with benefits for those who drive the water trucks. Lyn notes, "It makes the water truck guy's life simpler. They're not constantly refilling, so they can take a moment to breathe."

Lyn finds the improvement in dust suppression is very noticeable and air quality testing backs this up. For him, the evidence is there every morning. "When the sun comes up as you're driving into the mine, the first thing you notice coming down that hill is that there isn't a haze."

1:1

is the ratio of magnesium chloride to water used in Pinto Valley's watering trucks to bind fine dust particles together thus stretching out the time frame for rewatering by hours to several days.



Capstone's Pinto Valley operation

MANAGING WATER

Looking Forward

In 2023 Capstone will:

- Create a tailings and water working group comprised of corporate and site representatives to implement the Sustainable Development Strategy water priority.
- Seek Copper Mark award at Mantos Blancos and Mantoverde including requirements related to freshwater management and conservation.

Beyond 2023 Capstone will:

- Develop a Capstone Water Management Standard (2024).
- Create a strategic plan to reduce freshwater use intensity (2024).

Water desalination plant at Capstone's Mantoverde operation

Tailings and Waste

Tailings are a material topic for all our operations and a priority of our Sustainable Development Strategy. Waste rock and non-mineral waste did not reach our materiality threshold. We include them here to acknowledge our compliance and environmental management responsibilities for various forms of waste.

Why This Matters

Mines typically generate large quantities of tailings (the by-product of processing ore) and waste rock (the rock removed to get to the valuable ore). Responsible management of waste is critical for minimizing the environmental and social impacts of a mining operation. Inadequate performance of a tailings or waste rock storage facility can result in environmental and property damage and present a risk to the safety of mine employees and the public. Potential environmental damage can include impacts to local flora and fauna, surface water and groundwater. Excessive dust emissions from tailings storage facilities can affect air quality. See Air Quality.

The monetary and reputational risks of inadequate tailings management can impact the long-term viability of an operation. High-profile tailings dam failures in Canada and Brazil in the past decade have heightened global attention on management of mine tailings, from design and construction to responsible operation and closure. The mining industry has responded by strengthening best practice standards, including the Global Industry Standard on Tailings Management (GISTM)[10].

Mines also generate hazardous and non-hazardous waste through materials used for mineral processing and other operational activities. Waste that is not managed or properly disposed of can result in negative impacts on human health and the environment, including air, soil or water contamination, as well as greenhouse gas emissions. Non-compliance with hazardous waste management regulations in the jurisdictions where we operate can result in fines. Efforts to reduce, reuse or recycle can decrease the amount of non-hazardous waste that is landfilled, extend the life cycle of materials, and reduce the natural resources needed to make new products.

Potential negative impacts could also arise from the generation or handling of waste by our business partners and waste contractors.

Sustainable Development Strategy Priority: Tailings

PRIORITY

Achieve industry best practices for safe and responsible tailings management.

TARGET

- Implement the GISTM across all Capstone TSFs by YE 2028*.

STRATEGY

- Implement the GISTM for Mantoverde, Cozamin and Santo Domingo by YE 2026 and for Mantos Blancos and Pinto Valley by YE 2028.

** This target differs from the target published with release of our Sustainable Development Strategy in March 2023.*

10 Global Industry Standard on Tailings Management, Global Tailings Review, August 2020. The Global Tailings Review includes the International Council on Mining and Metals, the United Nations Environment Programme, and the Principles for Responsible Investment, and was convened to establish an international standard for tailings management.

How We Manage Tailings and Waste

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

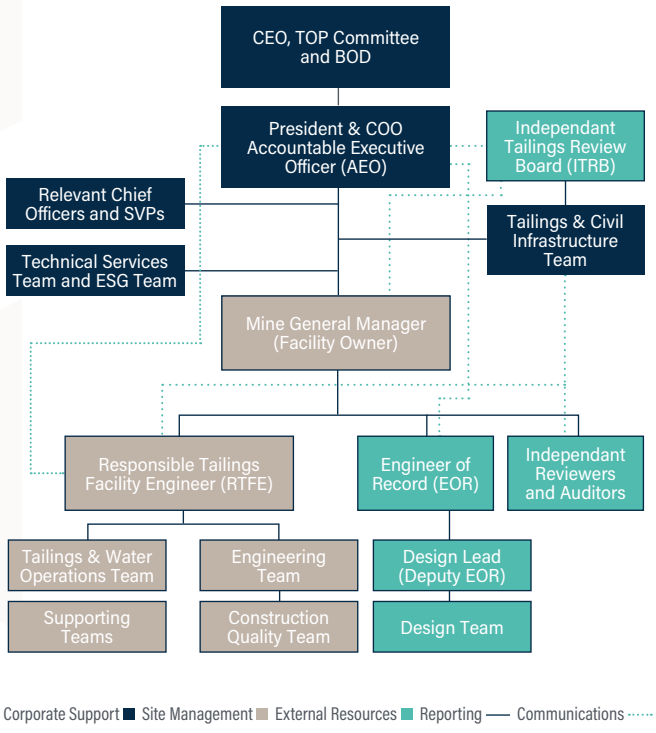
Approach	Description
Global Policy	Integrated EHS&S Policy, Tailings Management Policy
Governance	Technical and Operational Performance Committee, Tailings Working Group, Independent Tailings Review Board
Risk Assessment	ERM Framework, Failure Modes and Effects Analyses, risk management plans
Compliance	Site-specific environmental regulations and permits
Norms and Standards	GISTM, Toward Sustainable Mining (TSM) Tailings Management Protocol (Mining Association of Canada), Canadian Dam Association (CDA) Dam Safety Guidelines
Planning	Design reports, waste and water management plans, emergency preparedness plans
Training and Operations	Operations, maintenance and surveillance manuals, work procedures for equipment and processes related to tailings and waste management, training programs
Evaluation	Engineer of Record reviews, internal audits of the Tailings Management System, Independent Tailings Review Boards

We have high-level governance of tailings. Capstone's Integrated EHS&S Policy outlines our global policy commitment to responsible tailings stewardship. It is complemented by our Tailings Management Policy which elaborates on our commitments to identify, monitor and mitigate tailings-related risks at all our mines and projects. Capstone's President and Chief Operating Officer is accountable for tailings management, and reports to the TOP Committee at least quarterly.

We manage tailings both globally and with site-level expertise. Our Corporate Technical Services team oversees tailings management across the operations and leads Capstone's Tailings Working Group, informed by our corporate governance structure. This working group aims to ensure tailings risks are adequately mitigated and managed. It includes representatives from all our sites, as well as tailings experts from engineering consulting firms.

Our mine General Managers have site-level responsibility for tailings, with the support of a Responsible Tailings Facility Engineer. We have established an Independent Tailings Review Board with a group of external recognized experts, to provide independent review across our TSFs.

Capstone's Corporate Tailings Governance Structure



We monitor our plans and facilities to ensure storage facilities are performing adequately, meeting mine requirements and design intent, as well as the expectations of regulators and other stakeholders.

We carefully manage our tailings storage facilities[11]. Pinto Valley manages five tailings storage facilities (TSFs): two active, two inactive and one closed. Cozamin manages one active and two inactive, and Mantos Blancos has two active and two inactive TSFs. Mantoverde did not have a TSF in 2022 but is currently constructing a new TSF as part of the mine's development project. See table on Tailings Storage Facilities Inventory in Appendix D.

Our sites store waste rock in dumps on surface land except for Cozamin where most waste rock produced is used in the underground mine to backfill underground workings.

We plan for the full life cycle of the operation. Capstone's mining engineers develop mine plans that specify the volume of tailings and waste rock that will be produced. They work with expert consultants to determine how these materials will be safely and responsibly transported and stored. These waste management plans are evaluated by regulatory agencies that issue permits for tailings and waste rock storage, including requirements for their design, operation, monitoring and closure. We continually review and update these plans throughout the life of the mine.

For example, Mantos Blancos originally had one TSF, built in the 1980s. Following practice at the time, it consisted of a single impoundment for deposition of a tailings slurry. Over time, we redesigned the system to separate tailings into its fine-grained (silty) and coarse-grained (sandy) components. Fine tailings are now placed in an exhausted open pit while coarse tailings are dewatered and placed in a dry stack.

We follow industry best practices for TSF design, construction, operation and closure. Each operation has a Tailings Management System (TMS) that is developed using guidance from the Mining Association of Canada's Toward Sustainable Mining Tailings Management Protocol, or the GISTM. Mantos Blancos and Mantoverde are participating in the Copper Mark assurance process which includes requirements for tailings and waste management.

Key TMS components include:

- Close collaboration with a qualified Engineer of Record (EOR)
- Risk assessment and risk management processes
- Emergency preparedness and response planning
- Operations, Maintenance and Surveillance Manual
- Operator training programs
- Regular monitoring and inspection of TSFs
- Regular review of tailings management performance by internal, external and independent experts

Each site has dedicated personnel and procedures to carry out regular geotechnical and environmental data collection, inspection and analysis to ensure facilities are performing as intended in their permitted design. Our operations frequently conduct risk assessments of TSFs as part of their existing Risk Management Systems. Mantoverde will be doing their first TSF risk assessment in 2023.

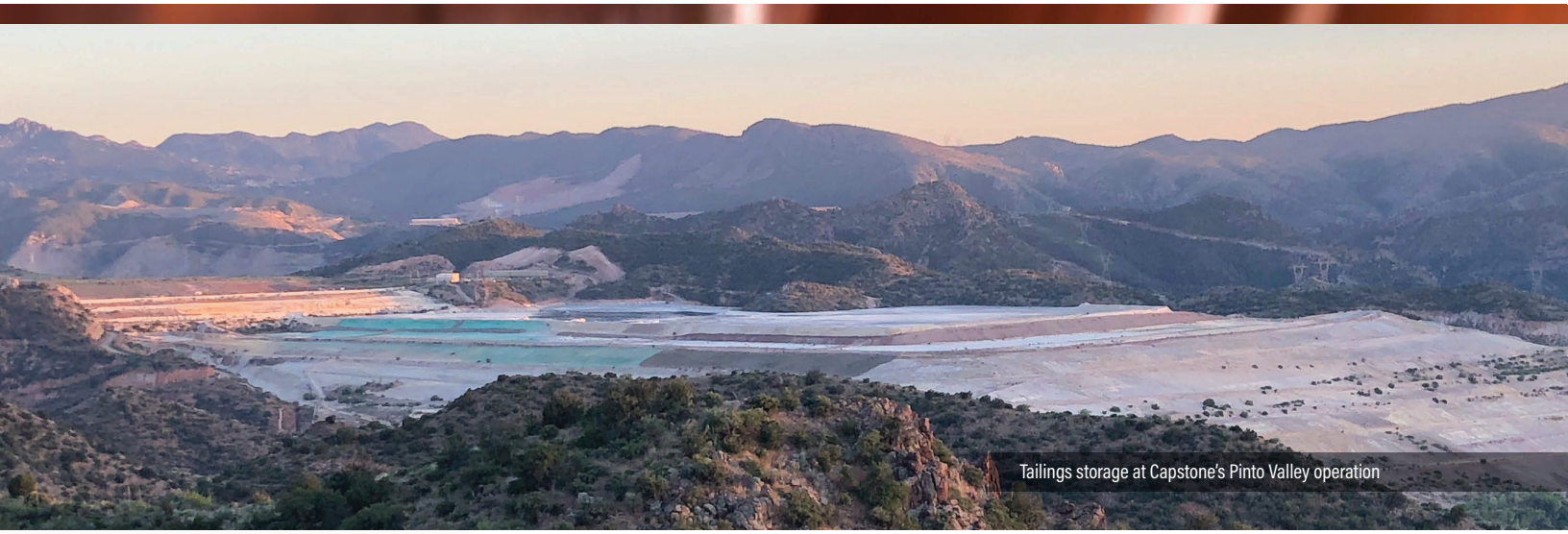
Our approach to emergency preparedness and response planning follows four steps that are considered best practice and where appropriate we collaborate with local officials on emergency preparedness:

1) Detection of the unusual or emergency condition
2) Determination of response level
3) Notifications and expected actions
4) Event termination and follow-up

We review performance and practice continuous improvement. We monitor our plans and facilities to ensure storage facilities are performing adequately and meeting mine requirements and design intent, as well as expectations of regulators and other stakeholders. We have lines of defense to improve our tailings management practices, including EOR reviews, annual internal TMS audits and reviews by independent experts.

We are in regular contact with EORs. At Mantoverde, the EOR has a field representative on site during construction activities of the new TSF to provide the Quality Assurance support. EOR site inspections take place at least annually. To ensure an adequate and timely response to audits, we track all review and audit findings and recommendations through to completion.

11 We define and use the terms tailings storage facilities, tailings management systems and engineer of record consistent with GISTM definitions.



Tailings storage at Capstone's Pinto Valley operation

Capstone's mining engineers develop mine plans for the full life cycle of the operation, specifying the volume of tailings and waste rock that will be produced. They work with expert consultants to determine how these materials will be safely and responsibly transported and stored.

Pinto Valley and Mantoverde have Independent Tailings Review Boards (ITRBs) comprised of external third-party technical experts who have not been involved with the design or operation of the TSFs. The ITRBs meet periodically to review and provide recommendations to improve Capstone's tailings management. Cozamin, Mantos Blancos and Santo Domingo will commence ITRB reviews in 2023.

We regularly review closure and post-closure costs and provisions. We engage independent experts to estimate the TSF closure and post-closure costs at each site – our Asset Retirement Obligations (ARO). These costs and the ARO estimates are subject to our annual financial statement audit. Mantos Blancos, Mantoverde and Pinto Valley provide surety bonds which are a percentage of the cost estimate. Surety bonds are currently not required for the Cozamin underground mine in Mexico.

We engage with key stakeholders on tailings management. Our sites work closely with regulators and local officials. For example, in 2022 Pinto Valley collaborated with the US Forest Service on reclamation plans for historic tailings and waste storage facilities on public land. We participated with surrounding mine sites and the county in an emergency seismic event desktop exercise. Cozamin worked closely with regulators in the dry stack facility permitting and Chiripa reclamation. Mantoverde presented the tailings emergency response plan to local communities in 2022.

Other Waste

We responsibly dispose of sludge and other hazardous wastes. Mining requires processes, reagents and consumables that may generate hazardous waste. This waste requires specialized disposal. We responsibly dispose of hazardous waste through reputable, licensed waste disposal companies. Other potentially hazardous materials are recycled whenever possible to recover valuable metals, including the recycling of electrowinning (SX/EW) sludge to a lead smelter. In Chile, any hazardous waste that cannot be recycled is directed to a specially permitted waste facility near Antofagasta. In the US, lighting ballasts require special disposal. All sites recycle used oil through licensed contractors. Chile and Mexico classify used oil as hazardous waste while the US does not.

We have programs to reduce non-hazardous waste. Our most significant source of non-hazardous waste consists of scrap metal from equipment that has worn out or been replaced. Both Pinto Valley and Cozamin recycle scrap metal. Pinto Valley works with a partner that makes troughs from repurposed tires for agriculture and ranching needs. This significantly reduces the amount of material sent to external landfills or stored on site in our own permitted landfill or waste rock dumps. The sites also have initiatives to reduce the amount of trash sent off site, such as paper and aluminum separation for recycling. Mantos Blancos and Mantoverde dispose of non-hazardous waste in approved site landfills or through licensed recycling contractors.

2022 Results

In 2022 we focused on continual improvement in tailings governance, design and operation across our sites. Pinto Valley expanded its ITRB and held a third-party facilitated review of the failure modes and effects analysis. Mantoverde completed design and construction of the new TSF in full alignment with GISTM requirements. Cozamin completed reclamation of Chiripa North and South and completed construction of the tailings filtration and paste plant. See story on Filtering Tailings to Extract More Water.

The production of mining waste aligned with our mine plans. The 25% increase in waste rock is related to pre-stripping activities at Mantoverde to access the ore body.

The construction of the Mantoverde Development Project and Dump Leach Sur II facility caused the significant increase in hazardous waste. This work involved the use of large mobile equipment for earth-moving activities. These vehicles require regular maintenance and oil changes, which generates hazardous waste in the form of used oil.

In 2022 Mantos Blancos had one reportable environmental incident involving a spill. A ruptured pipe resulted in release of approximately 200,000 litres of pregnant leach solution. The emergency response plan was activated immediately upon discovery of the spill: pipe flow was stopped, barriers were put down to contain the spill and the fluid was cleaned up. The spill did flow onto the adjacent highway, though this was minor and was immediately resolved.

We have high-level governance of tailings. Capstone's Integrated EHS&S Policy outlines our global policy commitment to responsible tailings stewardship. It is complemented by our Tailings Management Policy which elaborates on our commitments to identify, monitor and mitigate tailings-related risks at all our mines and projects.

Mining Waste Production (million tonnes)

Waste[1]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Totals by Year 2022	2021	2020	% Change 2021-2022
Waste Rock[2]	23.0	48.2	57.0	0	0	128.2	102.7	108.5	25%
Tailings	18.5	5.4	0	1.3	0	25.2	24.4	24.0	3%
Sludge[3] (tonnes)	2.5	18.6	44.5	0	0	65.6	72.9	24.9	-10%

[1] Overburden mined at Pinto Valley, Mantos Blancos and Mantoverde is included in the reported waste rock figures. Overburden mined at Pinto Valley is minimal. Cozamin is an underground operation and does not mine overburden.
[2] Waste rock produced at Cozamin is used as backfill material for ground support, and little or no waste rock is stored permanently at surface. For this reason, this material is not considered waste by Capstone's definition, and is not included in these figures.
[3] Sludge generated by the Pinto Valley SX/EW plant is shipped off site to a lead smelter annually for recycling. Sludge generated by Mantos Blancos and Mantoverde during production of copper cathode is shipped off site.

Waste Generated by Composition (tonnes)

Composition	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Totals by Year 2022	2021	2020	% Change 2021-2022
Weight of Hazardous Waste[1] Generated	4.8	217.3	1,519.5	148.2	13.9	1,903.7	565.1	2,423.2	237%
Weight of Non-hazardous Waste[2] Generated	2,771.3	2,434.1	935.7	597.9	5,420.0	12,159.0	6,738.7	6,880.8	80%
Total Waste Generated	2,776.1	2,651.4	2,455.2	746.1	5,433.9	14,062.7	7,303.8	9,304.0	93%
Weight of Hazardous Waste Recycled	0.1	0.0	0.0	47.1	0.0	47.2	60.7	53.4	-22%

[1] Hazardous waste includes solid waste that meets jurisdictional criteria for ignitability, corrosivity, reactivity and toxicity, and must be responsibly collected and stored.
[2] Non-hazardous waste includes scrap metal, other non-hazardous industrial and municipal/domestic waste.

MANAGING TAILINGS AND WASTE AT COZAMIN

Filtering Tailings to Extract More Water

Conventional tailings storage requires a large land area and consumes a lot of water. Faced with the need to find additional storage space, Cozamin used the opportunity to upgrade its tailings management practices. The new approach, which is considered a best practice and technology application, involves filtering the tailings to extract more water, which can be reused. Some of the filtered tailings are used to produce paste which Cozamin will place underground as mine backfill. The rest are placed in a dry stack, which is more stable than a conventional tailings storage method.

Cozamin hired WSP Global Inc. to design the conversion of the existing TSF to a dry stack facility. Dr. Humberto Preciado of WSP shared his pride in their involvement as Engineer of Record.“ This project transitions Cozamin’s tailings management practices from an older technology to the state of the art,” he says. “It demonstrates their commitment to minimizing their environmental footprint.”

2028

is the Sustainable Development Strategy target for implementing the GISTM across all Capstone Tailings Storage Facilities (TSFs).



Capstone’s Cozamin operation

MANAGING TAILINGS AND WASTE

Looking Forward

In 2023 Capstone will:

- Establish a Corporate Tailings Management framework to achieve GISTM.
- Improve the existing TMS to meet GISTM requirements.
- Establish the corporate Tailings Governance Structure across all sites.

Beyond 2023 Capstone will:

- Develop a Capstone Tailings and Heap Leach Management Standard (2024).
- Develop a Capstone Waste Management Standard (2024).

Tailings storage facility under construction at Capstone's Mantoverde operation

Biodiversity

Biodiversity refers to the indispensable variety of life on Earth. This topic covers the measures we have in place to protect the ecosystems and their plant and animal species, during operations and through post-mining remediation efforts. Biodiversity is a priority of our Sustainable Development Strategy.

Why This Matters

The construction and operation of mine sites typically result in changes to the landscape, which affect local plant and animal species. Responsible mining practices are critical for minimizing disruption to the land and ensuring preservation of ecosystems through all mine phases. Capstone is on a growth trajectory, with a major expansion project underway at Mantoverde, and further expansion opportunities across the portfolio. Safeguarding biodiversity as we grow is one of our strategic priorities.

Regulators, lenders, investors and people in our communities have all expressed interest in protecting biodiversity. Areas of biodiversity may also be important to our workforce or communities for purposes of recreation, cultural practices or economic activity, such as tourism, livestock grazing or gathering of plants, depending on the locale.

Pinto Valley is located in the Sonoran Desert, in the southwestern part of the US, where the ecosystem is fragile due to extreme weather conditions and human development of the land. Bordered by the Tonto National Forest, it is situated in the Pinto Creek watershed. The recent completion of an Environmental Impact Statement and approval of a Mine Plan of Operations for Pinto Valley's expansion project will bring additional monitoring and mitigation measures.

Cozamin is located on shrubland on the outskirts of the city of Zacatecas, where biodiversity protection is mandated through the Change of Land Use in Forested Areas (CUSTF).

Our Chilean sites are all in arid environments in the Atacama Desert, where the ecosystems are complex and fragile. Mantos Blancos has the most extreme desert conditions of any of our sites. There is no regular water course near the site and our surveys have not revealed any permanent flora or fauna in the local area.

Mantoverde has desert vegetation and some locally significant fauna. Santo Domingo is located near Mantoverde in a similar environment. Mantoverde accesses water from a desalination plant on the coast and Santo Domingo plans to do the same. Development and operation of desalination plants can have impacts on marine species.

Sustainable Development Strategy Priority: Biodiversity

PRIORITY

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

TARGET

- 100% of sites are assessed against the Capstone Biodiversity Standard by 2025.
- Reclamation, reforestation and habitat conservation project-specific metrics are achieved by 2025, with results annually reported.

STRATEGY

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

How We Manage Biodiversity

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Integrated EHS&S Policy
Governance	Technical and Operational Performance Committee
Training	Workforce training to avoid harm to sensitive areas or species.
Stakeholder Engagement	Engagement with environmental authorities on management plans; with students, teachers and community members on environmental education; and with investors concerned about biodiversity.
Evaluation	Success of biodiversity management plans as established through monitoring. Change in species inventories based on IUCN (International Union for Conservation of Nature) Red List framework. Public submission of Mantoverde biodiversity data under the GBIF (Global Biodiversity Information Facility).

We manage biodiversity at the site level, guided by global values. Our values, governance and policy framework ensure all sites operate responsibly to protect biodiversity. Our Integrated EHS&S Policy guides us to "minimize the impact of [our] activities on the natural environment" and is implemented through site-specific policies, plans and procedures. Our biodiversity teams prioritize measures to protect riparian habitat and avoid a decrease in species richness or abundance through their management plans.

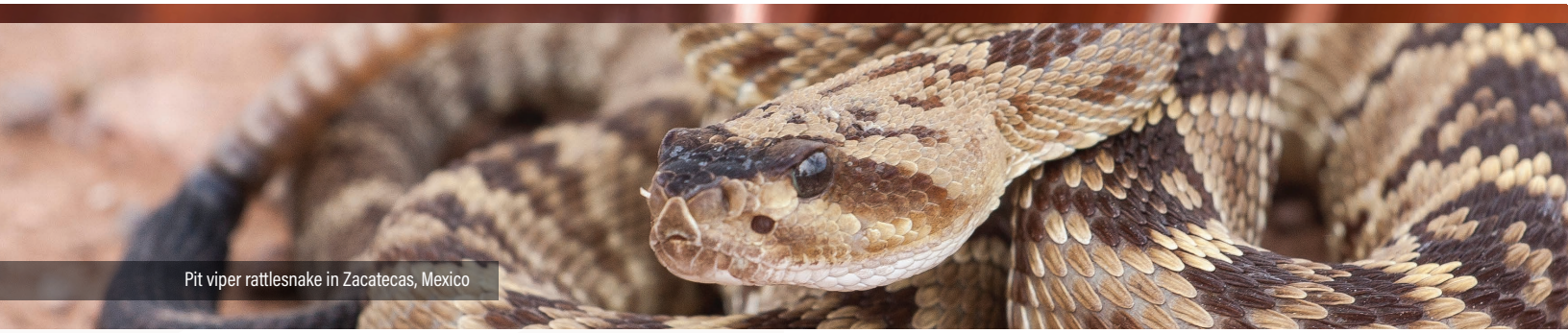
The table below provides context on the proximity of our operations to areas of biodiversity value. We also analyze our reserves as follows: 17% of Capstone's proven reserves and 9% of probable reserves are in or near a conservation area. Pinto Valley is the only site with reserves in or near a conservation area. See the table on Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas in Appendix D.

We operate within regulatory frameworks that protect biodiversity. Each of our sites comply with national and state-level regulations designed to protect species and habitats. All expansion projects require detailed environmental impact assessments, which include opportunities for public input. The impact assessment processes result

Operational Sites in or Adjacent to Protected Area and Areas of High Biodiversity Value

Site[1]/Location	Site Size (km^2)	Nearest Protected/ Biodiversity Area	Position in Relation to Area	Biodiversity Value of Area	Protected Status
Pinto Valley Miami, Arizona, US	26	Tonto National Forest	Site overlaps with area	High	Critical Habitat
Mantos Blancos Antofagasta, Antofagasta, Chile	273	Aguada La Chimba	Approx 32 km	Low (Areas under official protection from the environmental evaluation authority (SEIA art. 10)	Nature Sanctuary Polygons
Mantoverde Chañaral, Atacama, Chile	293	Guamanga Ravine	Adjoining with minor overlapping area	Medium	Biodiversity Conservation Prioritized Site
		Pan de Azúcar National Park	Approx 50 km	High	National Park
Cozamin Morelos, Zacatecas, Zacatecas MX	1.4	CADNR 001 Pavilion	Approx 24 km	High	Natural Resources Protection Area
		CADNR 043 State of Nayarit	Approx 22 km	High	Natural Resources Protection Area

[1] All sites listed have active mining and production operations. All are surface mining except Cozamin, which is underground. Santo Domingo is a project and not an active operation.



Pit viper rattlesnake in Zacatecas, Mexico

in mitigation measures and permit requirements that we incorporate into our mine plans and subject to strong compliance procedures.

Planning and monitoring are key tools for managing biodiversity. All activities subject to permits, including mine operating plans and expansion plans, must include biodiversity assessments. Biodiversity assessments begin with an inventory of the local species, with a focus on endangered or threatened species. We assess how our activities could affect these species and develop measures to minimize potential impacts. We then conduct regular monitoring to see how well our measures are working. At Mantoverde we have been monitoring marine biodiversity near the desalination plant for ten years and reporting results quarterly to the environmental compliance authority. Members of the local fishing unions are active participants in the monitoring process. Key assessment or monitoring activity in 2022 is summarized in the table below.

We keep key species out of harm's way. With approval from wildlife or other environmental administrators, we may determine the best mitigation measure is to rescue and relocate species that could be affected by construction or operations. This applies to both plants and animals. At Cozamin, our trained biologists relocated cactus, lizards and rattlesnakes in 2022. The relocation of rattlesnakes protects both workers and the snakes. At Santo Domingo and Mantoverde, species subject to removal include highly mobile species such as lizards. If they attempt to return to the site, we contract independent experts to run them off. If necessary, they are captured and transported to safer, suitable habitats.

2022 Biodiversity Monitoring Activities

Site[1]/Location	Activity	Outcome
Pinto Valley	Baseline assessment focused on riparian areas and yellow-billed cuckoo (YBC) habitat	YBC Habitat and Occupancy Reports; vegetation reference plots established for future reclamation
	Arizona hedgehog cactus survey	Baseline established for site development
Mantos Blancos	None. Surveys have found no permanent flora or fauna in the local area.	None
Mantoverde	Monitoring marine area around desalination plant	Good performance in biodiversity health
	Monitoring of previously relocated species	98% survival rate of relocated individuals
	Monitoring guanaco population quarterly	Good performance in quantity of individuals in the study area
	Study of guanaco diet	Herbal species inside the guanaco diet identified in the laboratory
	Study of habitat range of foxes	Twelve foxes with satellite collars tracked to perform habitat maps
	Seed collection and preservation of singular species	Over 120,000 seeds for over 15 species collected and preserved in a nursery facility
Cozamin	Annual monitoring of flora and fauna	One new species added to register
	Progressive closure in the historic La Chiripa property	Baseline established for monitoring species accumulation resulting from restoration work
Santo Domingo	Monitoring of previously relocated species	Few sightings of relocated small reptiles; relocated cactus plants in good condition; will be monitored every five years

Mantoverde has also developed measures for protecting guanaco (Lama guanicoe) and the South American gray fox (Lycalopex griseus) species. These include a fox habitat range study and a guanaco diet study to improve our knowledge of their behavioural patterns. These studies will be published in scientific journals to help inform the larger community about protection measures.

We protect habitats that support biodiversity. Pinto Valley is our only operation exposed to the risk of acid rock drainage. Pinto Valley actively mitigates risks of potential acid rock drainage associated with surface water runoff by encapsulating waste rock and tailings with inert materials. Alternately, they capture and recycle surface water runoff that contacts these materials in a network of catchments, ponds and reservoirs. Groundwater quality is protected by the hydraulic capture zone created by the open pit, active pumping of downgradient water production wells and high evaporation rates on the surface of waste dumps and tailings impoundments.

We consider biodiversity in our reclamation and closure plans. Reclamation activities for Pinto Valley's mine closure (currently projected for 2039) will include landform regrading and contouring, and revegetation with native plant species. In 2022 we began creating vegetation reference plots to monitor the success of species for revegetation potential. Cozamin's Social Responsibility Policy and Strategic Environmental Plan also require work to maintain the operation's reclamation and closure plans. Cozamin also began restoration of the La Chiripa site by surveying to establish a biodiversity baseline. At Mantoverde we maintain a plant nursery for native species and are gathering and saving seeds for future restoration.

We bring the necessary expertise and training to protecting biodiversity. We have been building in-house biological knowledge and experience at our sites. In some cases, we engage independent biologists with specialized knowledge of the area. At Mantoverde we are training every worker to avoid impacts on sensitive areas.

We collaborate with stakeholders. We maintain good working relationships with environmental authorities at all sites. At Pinto Valley we have worked closely with the US Forest Service to rehabilitate areas damaged by severe weather. At Mantoverde we support the Pan de Azúcar National Park, which is outside our influence area but close to our local community. Our support helps the National Forest Corporation (CONAF), an environmental protection agency, preserve guanaco and fox species, improve environmental education programs and develop tools for the study of these species. This support is provided under a three-year agreement between CONAF, Fundación ProCultura and Mantoverde.

We attribute the increase in identified species of concern to our survey efforts in 2022.

2022 Results

We improved our biodiversity monitoring and surveyed additional species of concern. Pinto Valley identified two more Near Threatened species and four more of Least Concern.

Mantoverde submitted its biodiversity data from the Mantoverde Development Project to the Global Biodiversity Information Facility (GBIF), a network for sharing information on biodiversity. The Chilean Environmental Authority made this disclosure mandatory by the end of 2022. By submitting in June, Mantoverde was the first mining company in Chile to register its data. At Mantoverde there was a biodiversity incident related to the presence of a fox within the MVDP project site. Workers did not follow the prescribed procedures and captured the animal, instead of scaring it off. The captured animal then died. The incident was reported, and our procedures were reviewed, updated and communicated to MVDP workers.

IUCN Red List Species with Habitats in Areas Affected by Operations

						Totals by Year			
Number of Species of Concern[1] in Areas of Operation	Pinto Valley	Mantos Blancos[2]	Mantoverde	Cozamin	Santo Domingo	2022	2021	2020	% Change 2021-2022
Critically Endangered	0	0	0	0	0	0	0	0	0%
Endangered	0	0	0	1	2	3	3	2	0%
Vulnerable	1	0	2	1	4	8	8	10	0%
Near Threatened	4	0	5	1	0	10	8	5	25%
Least Concern	58	0	1	108	0	167	149	163	12%
Total Number of Species of Concern	63	0	8	111	6	188	168	180	12%

[1] Includes number of IUCN Red List species only. National species lists are classified with different definitions, as described above.

[2] Biodiversity surveys completed for Environmental Impact Assessments over subsequent cycles found no species of flora or fauna in the local area.

MANAGING BIODIVERSITY AT COZAMIN

Discovering a New Species

The Mexican tiger salamander (Ambystoma velasci) spends most of its life in ponds and is widely distributed across the central Mexican plateau. While it is listed by the IUCN as a species of Least Concern, salamanders are vulnerable to pollution. Prior to 2022 none had been spotted in the area around our Cozamin site. So, it was an exciting day for biologist Marco Castro, Cozamin's Supervisor of Environment, when his biological sampling program turned up a tiger salamander downstream of our tailings impoundment.

Marco launched the sampling program in 2022 to enhance the baseline inventory of plants and animals that could be affected by Cozamin's operations, and to identify the most promising sites for remediation. Marco's sampling experts found another species new to Cozamin, the Mexican mud turtle (Kinosternon integrum), and a second tiger salamander near the historical Chiripa mine site that Cozamin is remediating.

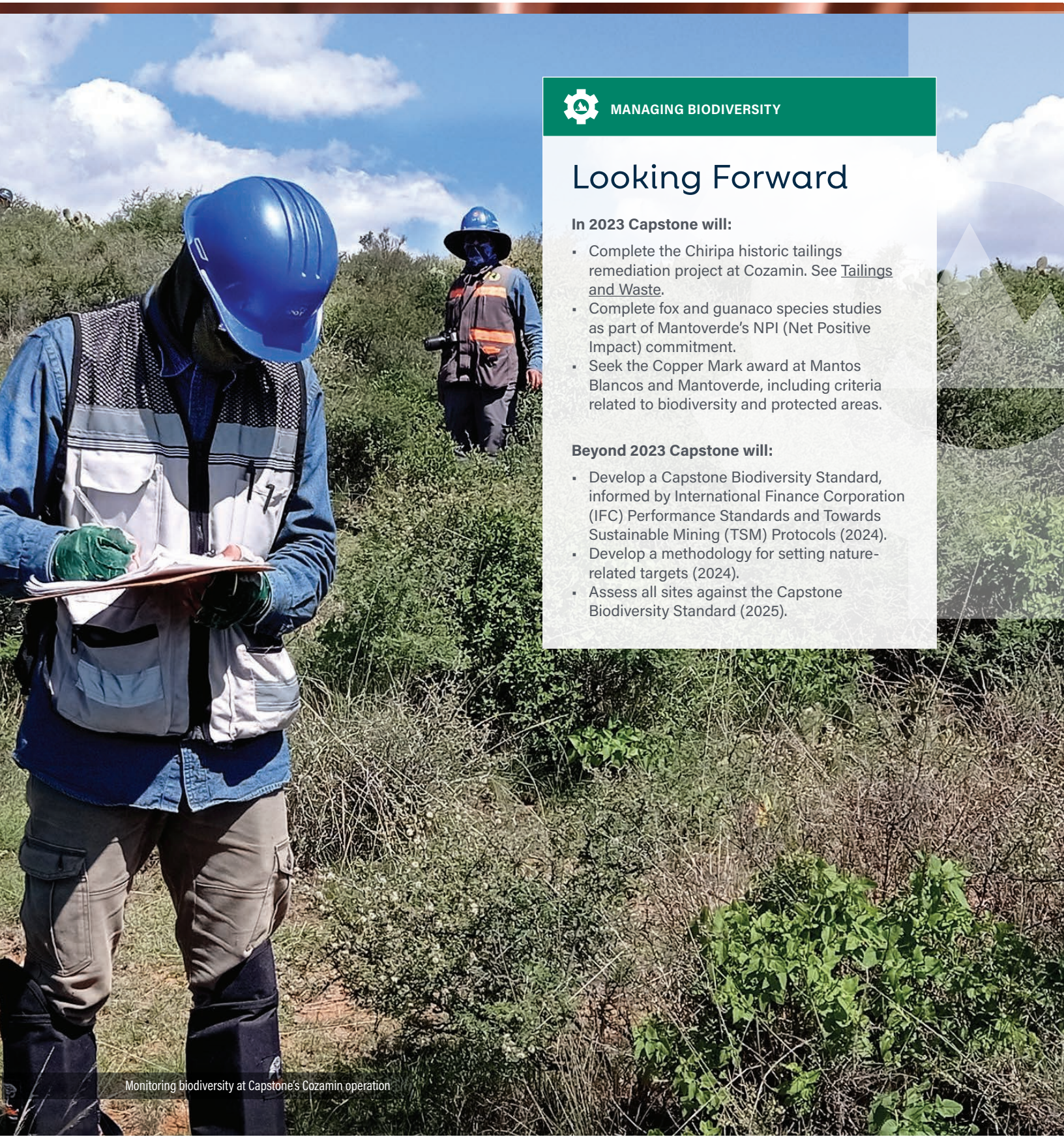
Marco sees it as a good sign that both species were discovered in places that could be affected by current or historic operations, suggesting that environmental management practices are working. "I'm really into animals, and it was exciting to find them, both personally and because it's good news for the mine if the salamander can live there."

100%

is the Sustainable Development Strategy target for Capstone sites to be assessed against our Biodiversity Standard by 2025.



Mexican tiger salamander



MANAGING BIODIVERSITY

Looking Forward

In 2023 Capstone will:

- Complete the Chiripa historic tailings remediation project at Cozamin. See Tailings and Waste.
- Complete fox and guanaco species studies as part of Mantoverde's NPI (Net Positive Impact) commitment.
- Seek the Copper Mark award at Mantos Blancos and Mantoverde, including criteria related to biodiversity and protected areas.

Beyond 2023 Capstone will:

- Develop a Capstone Biodiversity Standard, informed by International Finance Corporation (IFC) Performance Standards and Towards Sustainable Mining (TSM) Protocols (2024).
- Develop a methodology for setting nature-related targets (2024).
- Assess all sites against the Capstone Biodiversity Standard (2025).

Monitoring biodiversity at Capstone's Cozamin operation

Air Quality

This topic includes dust and non-greenhouse gas air emissions generated at our operations.

Why This Matters

The most significant local air emission at our sites is dust, also known as particulate matter (PM). Mining operations include the movement and storage of large amounts of rock and soil (e.g., drilling, blasting, stripping, loading, transportation of rock on unpaved roads), mill processes (e.g., crushing, conveyance), and may include large areas of dry tailings susceptible to wind, all with potential to emit PM.

Dust is a concern for communities near mine sites. This is especially true for Cozamin, located within a few kilometers of Zacatecas City. Dust can accumulate on vegetation, which can be a public health concern and affect biodiversity, either directly or through sedimentation in the watershed. Dust, including silica, can also affect the health and safety of employees working in and around active mine areas. Our sites must operate within air quality standards defined by local regulations and permit requirements. In addition, Pinto Valley in Arizona is located in a Non-Attainment area for particulate matter less than 10 microns in diameter (PM10). In that region, regulatory limits are more stringent because background air quality levels do not currently meet US ambient air quality standards. Arizona has also been experiencing more wildfire activity; air quality can be significantly affected by wildfire smoke.

For our Chilean operations – Mantos Blancos and Mantoverde – there are several national regulations aligning to international standards, mainly for PM10 and PM2.5. These regulations will also apply to Santo Domino when it begins operations. We operate within local regulations for other air emissions as well, such as carbon monoxide (CO), sulphur oxides (SOx), nitrogen oxides (NOx) and volatile organic compounds (VOCs).

How We Manage Air Quality

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Integrated EHS&S Policy
Governance	Technical and Operational Performance Committee
Training	Employees trained on dust control procedures, visual dust observations and equipment maintenance
Evaluation	Visual monitoring, instrumentation, regulatory inspections

We use appropriate equipment and operational practices to reduce dust. Equipment solutions include wet scrubbers on conveyor belts and enclosures or covers on dust-prone areas such as conveyors, stockpiles and concentrate storage. In 2022 Pinto Valley replaced seven dust collectors with modern, efficient cartridge filter units that do not require water, unlike the old wet scrubbers. See story on Cleaning the Air and Saving Water. Mantos Blancos has updated most of the wet scrubbers in the plant.

Our environment teams monitor weather and operational conditions (e.g., high winds, low humidity, drawdown of stockpiles) that can lead to dust emissions. Employees are trained on dust minimization work procedures. Key operational practices across our sites include equipment maintenance programs, driving practices to reduce speed on unpaved roads and maintenance on dust-prone facilities. In 2022 Pinto Valley regraded and rock-armored areas of the main tailings facility to reduce dust emissions and wind



Capstone's Pinto Valley operation

We use dust suppressants for tailings and roads. While both water and environmentally benign chemical products can be used to minimize dust, chemical dust suppressants are preferable because they reduce our water use.

erosion. In addition, the transportation company operating the bus to the Mantos Blancos site installed an air filter to improve air quality and measure PM inside the vehicle.

We use dust suppressants for tailings and roads. While both water and environmentally benign chemical products can be used to minimize dust, chemical dust suppressants are preferable because they reduce our water use. Products for dust suppression include magnesium chloride, hydrated lime, asphalt emulsion or polymers, depending on the site and area to be covered. See the story on Suppressing Dust in a New Way in Water.

Air quality monitoring ensures we meet regulatory standards and quickly respond to issues. We monitor air quality for both worker safety and environmental protection. For human health, we focus on silica and other PM.

All sites monitor or conduct sampling for fine PM, specifically PM10 and PM2.5. Pinto Valley conducts annual stack testing to ensure dust control equipment is functioning as expected. Cozamin has an approved independent lab that conducts sampling three times a year. Pinto Valley also uses visual monitoring for dust, based on approved procedures for gauging opacity. The site records observations and uses them to activate contingency measures.

PM sampling at Mantos Blancos and Mantoverde is carried out by an external company, which is certified by the Environmental Compliance Authority. Both sites also have a continuously operating monitoring station on site to internally manage potential worker health exposures.

Santo Domingo does not have a monitoring station because it is still in the status of a project.

We report air quality results to regulators. Our sites report air quality monitoring results to regulators, as required by permits. External environmental and health regulators also perform regular inspections.

Pinto Valley submits an annual emissions inventory report to the Arizona Department of Environmental Quality (ADEQ). In addition to reporting PM emissions from all sources, we are also required to report carbon monoxide (CO), volatile organic compounds (VOC), nitrogen oxides (NOx) and sulphur oxides (SOx) from stationary sources (e.g., internal combustion engines, boilers, heaters) but not from mobile equipment or vehicles.

At Cozamin, PM monitoring results are reported three times each year and made public in the government's Emission and Transfer of Contaminants Register. Air quality management is part of the criteria for maintaining Cozamin's Clean Industry Certification.

Mantos Blancos and Mantoverde PM monitoring is focused on the workforce and is audited by health regulators. Mantos Blancos also maintains an air quality monitoring station in the town of Baquedano (approximately 25 km away) to provide an air quality baseline, as required for its environmental impact assessment. Mantoverde conducts an air quality baseline using another mining company's monitoring station. For more information about our procedures see table on Ambient Air Quality Monitoring, Measuring and Reporting Processes in Appendix D.

Pinto Valley's seven new dust collectors have efficient cartridge filter units that do not require water, unlike the old wet scrubbers they are replacing.



Old wet scrubber at Capstone's Pinto Valley operation

2022 Results

In 2022 Cozamin and Mantos Blancos had regulatory inspections triggered by citizen reports of dust. No action was required from these inspections. For description of monitoring and measurement practices, refer to the table on Ambient Air Quality Monitoring, Measurement and Reporting Processes in Appendix D.

The 10% decrease in particulate matter (<2.5, <10, and Total) is attributable to the completion of major dust-producing earth works at the Mantoverde Development Project. The increase in NOx and CO emissions is related to the large number of diesel generators and use of large earth-moving equipment at the project.

Pinto Valley is the only site that generates hazardous air pollutants (HAP) primarily related to sulfuric acid mist from the electrowinning tank house. HAP emissions dropped 27% in 2022 when we applied an updated emissions factor issued by ADEQ.

Both Cozamin and Pinto Valley generate lead air emissions. At Pinto Valley emissions result from lead in the ore whereas Cozamin emissions come from high natural concentrations of lead in the soil. Pinto Valley's emissions stayed constant in 2022. The 11% increase in 2022 was caused by increased disturbance of soils from truck hauling and contractor vehicles for construction of the dry stack tailings facility and paste plant at Cozamin. To mitigate this, we increased dust suppressant efforts on roads.

Air Emissions (tonnes)

Emission Type	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Totals by Year 2022	2021	2020	% Change 2021-2022
Particulate Matter (<2.5 microns)	280	432	498	11	1,221	1,359	1,093	-10%
Particulate Matter (<10 microns)	2,373	3,129	3,022	48	8,572	9,334	8,023	-8%
Total Particulate Matter[1]	8,056	15,664	11,406	78	35,204	38,217	30,922	-8%
Nitrogen Oxides (NOx)	68	58	2,674	0	2,800	2,127	1,331	32%
Sulphur Oxides (SOx)	36	8	93	0	137	181	112	-24%
Carbon Monoxide (CO)	249	14	566	0	829	720	545	15%
Hazardous Air Pollutants (HAP)	11	0	0	0	11	15	15	-27%
Lead (Pb)	0.044	0	0	0.093	0.137	0.123	0.092	11%
Mercury (Hg)	0	0	0	0	0	0	0	0%
Volatile Organic Compounds (VOC)	32	0	0	0	32	37	40	-14%

[1] Total Particulate Matter: total airborne particles <100 microns suspended in air.

MANAGING AIR QUALITY AT PINTO VALLEY

Cleaning the Air and Saving Water

Crushing and grinding ore can generate a lot of dust, known as fine particulate matter (PM). Since PM is unhealthy for people and ecosystems, it's important we prevent dust from escaping.

Pinto Valley's Mill Maintenance Superintendent Brandon Greer explains that the original dust collectors (i.e., wet scrubbers) in the Pinto Valley mill worked by ventilating dust laden air and spraying it with water to capture dust before releasing it outdoors. "The old scrubbers were essential for meeting our permits, but they were showing fatigue and we were always doing maintenance to keep up," he says.

Arizona has been experiencing severe drought in recent years and Pinto Valley has been looking at every option to save water. Replacing the old wet scrubbers with new models that require no water was a clear win-win situation. Early in 2022 Pinto Valley replaced seven dust collectors with filter cartridges that contain twelve filters in each unit. After a year of operation, Brandon is impressed with the result. "I feel like you can see the difference in emissions, and the units are much more efficient to operate." 2022 performance testing of the stacks associated with the new units showed a tenfold reduction in PM10 emissions from these seven sources.

Even more impressive to Brandon are the water savings from the switch. "Each of the units we replaced ran through approximately 20 gallons per minute (76 litres) of water, round the clock," he explains. "That's a big savings. Any way we can salvage our water resource by using it as minimally as possible, while still operating efficiently, just makes sense."

20 gallons/minute

is the water savings realized by replacing old wet scrubbers at Pinto Valley with new, water-free dust collectors.



New dust collector at Capstone's Pinto Valley operation

MANAGING AIR QUALITY

Looking Forward

In 2023 and beyond Capstone will:

- Establish an air quality round table at Mantos Blancos with representatives of Baquedano (25 km from the site) (2023).
- Replace an additional two wet scrubbers with high-efficiency cartridge filter units at Pinto Valley (2024).

Air quality testing at Capstone's Mantos Blancos operation



Capstone's Mantoverde operation

0%

Zero harm is the ultimate goal for Capstone's Value of Safety — it is non-negotiable. Making safe choices ensures we can improve the health and well-being of our people, contractors and communities.

Health and Safety

This material topic covers the health and safety of our employees, contractors and communities. It includes occupational safety, health and wellness, and security. Performance data includes employees and contractors working at our operations, as well as our development project in Chile.

Why This Matters

Health and safety risks are inherent to mining operations. When we integrated our teams following the merger, it was immediately apparent that everyone had the same commitment to ensuring our people go home safely every day. Safety incidents or occupational diseases can potentially cause long-term negative impacts on our workforce, their families and the communities where they live. Poor health and safety performance is also costly and can result in lost productivity at our operations and potential fines for non-compliance with safety regulations.

For these reasons we invest significantly in health and safety management, and foster a safety culture.

Safety of our workforce and communities can be affected by the security in a region, which can be undermined by criminal activity and violence. Cozamin, located in Zacatecas, Mexico and, to a much lesser extent, Mantos Blancos, in the Antofagasta region of Chile, have reported regional violence that could negatively affect their workforce.

How We Manage Health and Safety

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Capstone Values, Code of Conduct, Supplier Code of Conduct, Integrated EHS&S Policy
Governance	Technical and Operational Performance Committee
Norms and Standards	Voluntary adoption of the Mexican government's Program on Self-Management of Health & Safety in the Workplace (PASST), Capstone's 9 Pillar SMS based on ISO 45001 elements
Risk Assessment	Hazard identification and control
Training	Values in Action and Leadership in Action courses, skills-based training
Stakeholder Engagement	Joint management-worker committees, employee feedback mechanisms, collaboration with contractor companies
Evaluation	Performance measurement and assessment including leading indicators, corporate and site scorecards

Health and safety risks are inherent to mining operations. When we integrated our teams following the merger, it was immediately apparent that everyone had the same commitment to ensuring our people go home safely every day.

Safety is an explicit Value and we embed it in our culture. To continually achieve our goal of zero harm, we need our people to embrace two core beliefs: all injuries and occupational illnesses are preventable and every incident provides an opportunity to improve. We reinforce these beliefs through all our systems and programs, including recognition and training for employees and contractors. Safety is also an important factor in bonus calculations for all Capstone employees. At Pinto Valley, in response to employee feedback, we adjusted the bonus calculation to focus on leading indicators over lagging ones.

All employees and leaders participate in Capstone's Values in Action and Leadership in Action training programs on safety culture. This training provides skills and encourages a higher commitment to safety and one's co-workers. Our globally applicable Life Saving Rules and Critical Behaviours focus on skills and controls to prevent accidents resulting from high-consequence risks. They are another way we make healthy and safe behaviour standard practice and part of our culture.

Sites build on this global safety commitment with site-specific programs to reinforce the safety culture. Pinto Valley has been focusing on strengthening safety leadership skills at all levels and improving safety communications between leaders and others in the workforce.

Cozamin also focuses on leadership development to reinforce their safety culture. The site has a dedicated training program for supervisors. They also implemented a binder system for supervisors where they can document their safety practices and those of their workers, and demonstrate follow up on corrective action plans. Our Chilean sites have established Safe Production Cultures.

Key features include a focus on leadership in the field, which includes supervisors, superintendents and managers. Each leader is tasked with regularly guiding and mentoring the workforce on safe practices and attitudes. Furthermore, Standards for the Elimination of Fatalities have been developed for leaders and workers alike to recognize and eliminate hazards.

We use standard health and safety management systems. All our sites use Capstone's 9 Pillar Safety Management Standard (SMS) or a comparable health and safety management system. Like all effective management systems, the 9 Pillar SMS is based on a Plan, Do, Check, Act model (see below). Both employees and contractors are covered by our SMS.

Our management systems are voluntary and subject to internal audits. One hundred percent of our mine site workforce is covered by an internally audited SMS. At Santo Domingo, a major contractor operates under its own SMS.

Both operations at Capstone Chile maintain a Safety, Health, Environmental, Community and Quality (SHECQ) Annual Plan with several activities, including training, lessons learned, incident review and senior management review. Our Chilean SMS meets the IFC Performance Standard. In 2023 it will be assessed within the Copper Mark assurance process at both Mantos Blancos and Mantoverde.

A key feature of the SMS is the cycle of continuous improvement. We regularly monitor and update the SMS using lessons learned from actual and potential incidents. In 2022 Cozamin emphasized the system component of contractor controls to address some incidents for drivers of haul trucks. See story on Driving Safety Forward.



All employees and leaders participate in Capstone's Values in Action and Leadership in Action training programs on safety culture, which provides skills and encourages a higher commitment to safety and one's co-workers.

The core of our SMS consists of hazard identification, risk assessment, critical risk management and incident investigation. All our SMS-related activities have one goal in mind: prevent accidents. Health and safety professionals at our operations have specialized training in hazard identification and risk management. These teams provide guidance to all operating departments, lead incident investigations, conduct field audits, coordinate safety training and manage emergency response programs. They engage directly with our workforce, ensuring employees feel heard and valued on safety matters.

We empower our workforce to use the hierarchy of controls. We train our employees and contractors to identify hazards, evaluate the risks associated with their tasks (prior to commencing work), and take responsibility for their own safety. This includes the completion of written hazard assessments, which are reviewed by supervisors.

Employees and contractors are involved in required corrective actions. Any employee or contractor has the right to refuse work in an environment they consider unsafe. We also identify high-consequence risks that are most likely to result in serious injury or death. These include falls from height, confined spaces, rock falls, vehicle crashes and electrocution. We encourage employees to report all safety incidents, even minor ones. We review each incident by gathering evidence, calculating risk, investigating root causes and implementing appropriate controls. As part of our follow-up process, we incorporate lessons learned into our SMS. For example, an investigation into a high-potential incident at Mantos Blancos led to a rockfall prevention project.

Employees participate in improving our health and safety performance. All our sites have joint management-worker safety committees responsible for conducting field audits, soliciting safety concerns and improvement ideas from the workforce, and reviewing high-potential incidents. These committees meet monthly. All joint committees are empowered to implement strategies to address employee concerns. Employee comments about exposure to dust while driving influenced our decision to switch from water to magnesium chloride as a dust suppressant on roads at several sites. See story on Suppressing Dust a New Way in Water.

Contractors meet regularly with site management where they are required to report on their activities, including safety performance. All contractors are subject to the Capstone safety management system at each site. Each mining operation provides support to contractors to keep their personnel safe.

We prioritize safety training and communication. New employees receive site induction training that covers basic site safety requirements. We train them to safely perform their tasks and identify, correct and report hazards. At Pinto Valley, employees have a peer mentor who shares feedback and experiences. At Cozamin, all employees are trained and certified for their positions. Regular communication on safety includes daily shift meetings, supervisor interactions, safety campaigns and information tools such as bulletin boards and television monitors.

We promote workforce health and well-being. Employees and contractors at operating sites can access health care professionals on site. Additional wellness services, such as mental health experts, are available offsite.

Employees undergo mandatory annual health checks for regulatory-required safety topics (e.g., respirator fit tests). During these visits, employees can also raise any personal health issues. Our health teams may help them access company health benefits or public health programs so employees can advocate for their own health. Our health care teams are trained to handle sensitive information and we schedule individual health visits to ensure confidentiality for our workforce.

Our health teams coordinate with public health agencies to address the major non-work-related health risks at each site. These include on-site flu vaccine clinics and programs for weight loss, smoking cessation or high blood pressure.

All our sites prioritize mental health. The COVID-19 pandemic highlighted mental health supports as a retention factor for Pinto Valley. The Mexican government recently introduced a national standard for mental health (NOM 36). Cozamin employees have access to a psychologist as needed. Mantos Blancos and Mantoverde have contracted with an independent psychologist to provide mental



Capstone's Santo Domingo project

health services both on and off site. In addition, they have created a Psychosocial Risk Committee to address actions identified by an external consultant and provide direct support to workers and their families. See story on Learning New Skills to Support Mental Health.

Security is a priority. We maintain full-time security staff. There are gated entrances at our operations to ensure secure access, and only authorized personnel are granted entry to Capstone sites. Security personnel are not armed. Other security systems include cameras, patrols and use of GPS locators and security badges.

Cozamin's security program is set up to respond to criminal activity and violence in the region, which can directly impact our operation and supply chain. Cozamin's security program includes periodic training and exposure assessments by a third-party consultant. Training topics include personal security, defensive driving and commute planning. The security team receives additional training as required.

In 2022 there was a security incident close to the mine site. An employee was shot and fatally wounded on the main access road between Zacatecas and the Cozamin site. We worked with government authorities to ensure safe transportation to and from the mine site.

Mantos Blancos has formed a Contingency Committee and implemented a Contingency Plan in the event of social unrest in the region. They have identified three levels of conflict, each with its own series of actions, as well as individuals responsible for those actions. The contingency plan is communicated to all personnel at the mine site.

Managing health and safety extends to our supply chain. Capstone's Supplier Code of Conduct formalizes the health and safety requirements for our supply chain. We vet contractors who work on site based on their past health and safety performance to ensure they have appropriate health and safety standards in place. For product suppliers, we evaluate material safety data sheet information and implement controls as needed.

Once on site, contractors adhere to our 9 Pillar SMS. We provide training to orient them to our operations, coach their workforce on how to provide services in a safe manner and ensure they have an internal contact to answer questions.

We prepare and plan for emergencies. Each site has a Mine Rescue Team that trains and prepares for possible emergency scenarios. These include first aid response, rope rescues, fire fighting and extractions, as well as petroleum and chemical spills. Drills are conducted on a routine basis to test personnel and equipment. Lessons learned are incorporated into the emergency preparedness and response programs.

MANAGING HEALTH AND SAFETY AT COZAMIN

Driving Safety Forward

Haul trucks can access Cozamin, an underground mine, via five ramps, the longest of which is 10 km. It takes considerable skill to operate a heavy truck on a downward slope. Good braking systems are essential. All our haul truck drivers are employed by contractors, including Eduardo Martinez, a 12-year veteran of Contramining. In an average shift, Eduardo makes six to eight trips into the mine each day.

In early 2022 there were a few instances when descending haul trucks either hit the wall or narrowly missed it. While none of these incidents resulted in injury, Cozamin decided to incentivize contractors to add electromagnetic brakes to their vehicles. The new brakes complement existing braking systems.

The main advantage of electromagnetic brakes is their ability to stop the vehicle quickly and evenly across all wheels. Standard brake pads heat up under load and can be affected by water, mud or humidity. Their responsiveness also varies from one wheel to another depending on the level of wear.

Cozamin has twelve hauling contractors from the nearby Ejido, which employ 80 drivers. They identified 36 trucks that were suitable for the upgrade; 11 were completed in 2022. Cozamin financed the upgrade, allowing truck owners to pay off the cost over time. They also provided drivers with two weeks of full-time training on safe driving behaviour and brake practice.

While the program is still in a learning stage, Eduardo appreciates the upgrade. "When driving downhill, carrying a heavy load, you can feel a big difference in the response time of the brakes compared to how it was before."

36

haul trucks at Cozamin were identified for braking system upgrades in order to prevent potential accidents during underground descents.



Capstone's Cozamin operation

2022 Results

Detailed safety performance results by site are reported in the table on Work-related Injuries and Ill Health in Appendix D.

During 2022, Capstone operations and projects had zero work-related fatalities. There were no fatalities as a result of work-related ill health and no cases of recordable work-related ill health.

Performance metrics related to Health and Safety accounted for 15% of our Corporate Scorecard and included Lost Time Injury Frequency Rate (LTIFR) and leading indicators that promote a more proactive approach to safety performance. Sites were assessed on a combination of lagging and leading indicators. In 2022 we met our LTIFR objective (0.20) for Capstone on a consolidated basis.

In 2022 both the LTIFR and Total Reportable Injury Frequency Rate (TRIFR) improved, falling 35% and 33% respectively. This is attributed to the emphasis on proactive safety management practices. All sites improved their performance on these indicators except for Mantos Blancos which saw an increase.

Each of our operational sites worked on priority safety practices identified during assessments or audits throughout the year. For example, Pinto Valley focused on the number and quality of Quality Safety Interactions, risk assessments, improved safety-related communication, and increasing supervisor/leadership field time. Cozamin concentrated on management inspections, percentage close-out of action plans, supervisor requirements, compliance with Safe Working Practices (SWP), Job Safety Analyses and the Central Safety Committee review of high-potential incidents. Mantos Blancos and Mantoverde focused on Leadership in the Field, Critical Risk Controls, review/analysis/communication of incidents (lessons learned), action item close-out and verification of SWP compliance in the field.

Mantoverde and Cozamin had the highest Lost Day rates for employees because of incidents involving injuries that required long recovery periods. Incident reviews were completed to improve SWP's and learnings were communicated across Capstone.

In 2022 we were not able to report near miss and high consequence work-related injuries rates for all sites. We have included data for those sites that collected the data. In 2023 we will review and align the way we report these indicators so we can report for all sites.

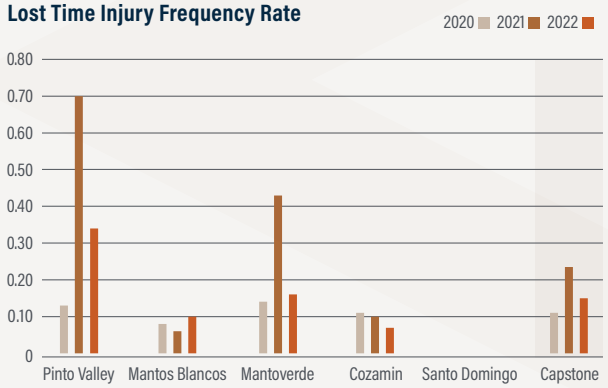
One hundred percent of our mine site workforce is covered by an internally audited SMS. At Santo Domingo, a major contractor operates under its own SMS. In 2022 employees received an average of 13 hours of safety training and contractors received 7 hours.

Safety Performance by Site for Total Workforce

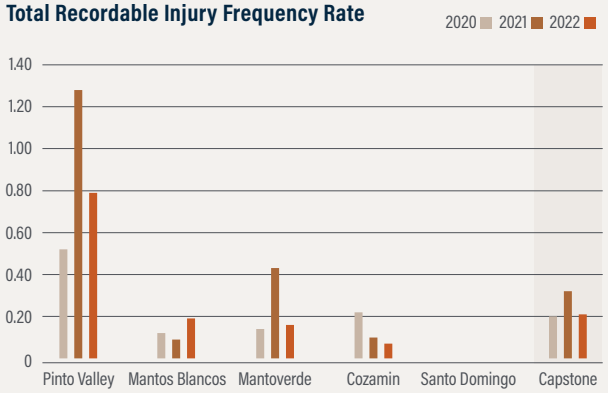
						Totals by Year			
Safety Indicator	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	2022	2021	2020	% Change 2021-2022
LTIFR[1]	0.34	0.10	0.16	0.07	0	0.15	0.23	0.11	-35%
TRIFR[2]	0.79	0.19	0.16	0.07	0	0.21	0.32	0.2	-33%

[1] Lost Time Injury Frequency Rate is calculated by the number of Lost Time Incidents X 200,000 / number of hours worked.
[2] Total Reportable Injury Frequency Rate is calculated by adding Medical Aid, Fatalities and Lost Time Incidents x 200,000 / number of hours worked.

Lost Time Injury Frequency Rate



Total Recordable Injury Frequency Rate



MANAGING HEALTH AND SAFETY AT PINTO VALLEY

Learning New Skills to Support Mental Health

When nurse practitioner Jody Vines joined the Pinto Valley team six years ago, she became part of a new on-site clinic at Pinto Valley. This clinic was created to perform health checks required by the regulator, as well as injury assessments. Because it's on site, the clinic is convenient for employees and is lower in cost.

An even bigger benefit of the on-site clinic has been the presence of a compassionate ear for any employee experiencing mental health stress. Pinto Valley offers an employee assistance plan to access counselling and rehabilitation for mental health and substance use disorders. Jody is in a position to help employees make the most of that program. "It can be frustrating to navigate the medical world. I can ease that burden."

The COVID-19 pandemic shone a light on a growing mental health crisis that affects all our sites and communities. The counties around Pinto Valley have seen an escalation in substance abuse, opioid addiction and overdoses, with devastating consequences for people and their families. At a 24-hour operation there is an additional stress factor. Jody explains, "Shift work is not easy on people. It takes them away from their family on evenings and weekends."

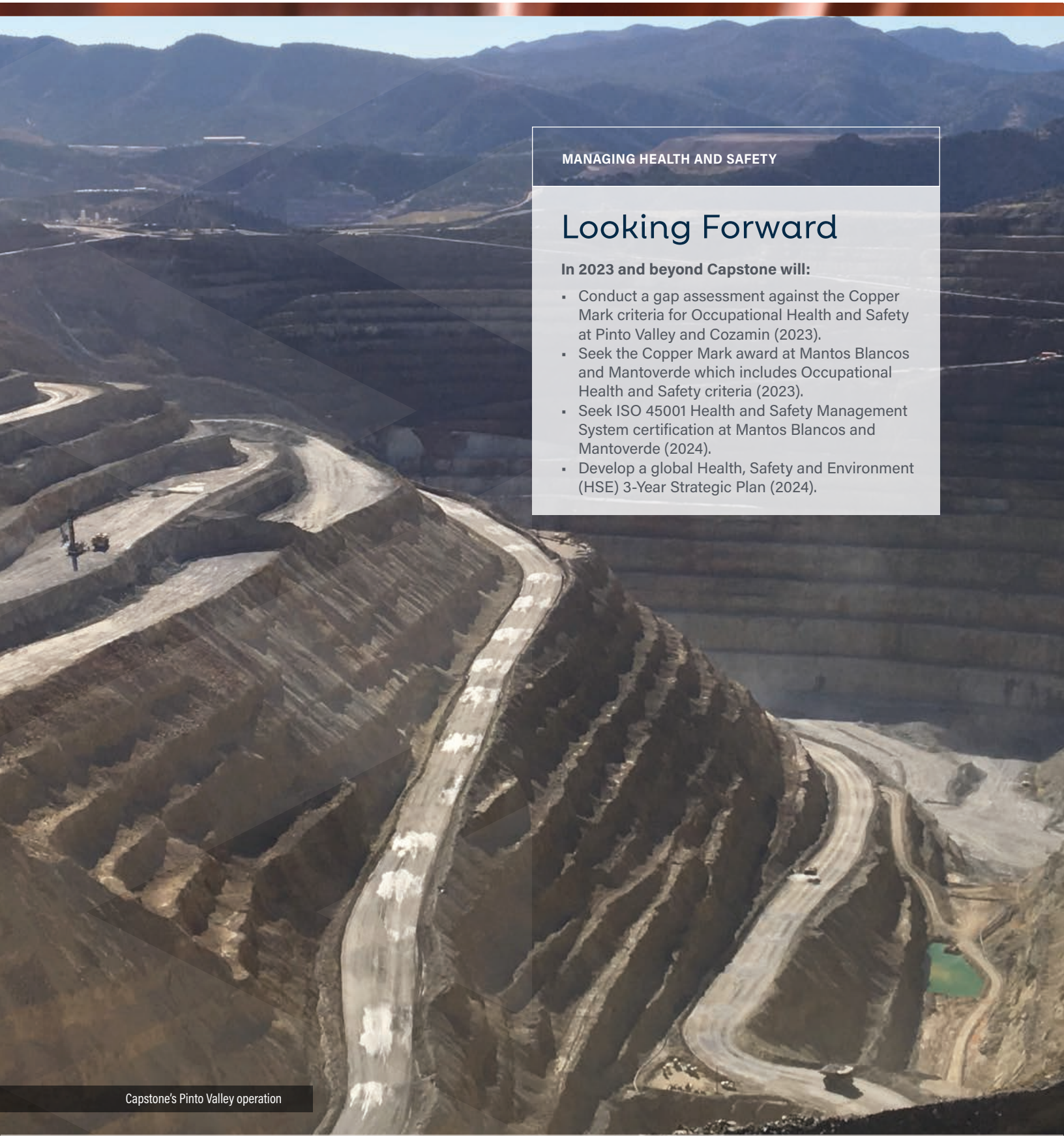
Even though mental health issues are widespread and better understood than they were a few years ago, it's still not easy for employees to open up about their struggles. To address that, Jody's team partnered with Blue Cross Blue Shield to launch mental health first aid classes (the mental health equivalent of a CPR certificate). In an eight-hour class, employees develop the skills to notice and support an individual who may be experiencing a mental health or substance use concern or crisis. They also learn how to initiate uncomfortable conversations with their fellow workers. Jody comments, "Whether someone is struggling personally, or having trouble at home, an expression of empathy can make all the difference. Just ask: Is there anything going on that you would like to talk about? I'm willing to listen."

8 –hour class

on mental health first aid provides employees with the skills to notice and support individuals with mental health or substance use concerns.



Capstone's Pinto Valley operation



MANAGING HEALTH AND SAFETY

Looking Forward

In 2023 and beyond Capstone will:

- Conduct a gap assessment against the Copper Mark criteria for Occupational Health and Safety at Pinto Valley and Cozamin (2023).
- Seek the Copper Mark award at Mantos Blancos and Mantoverde which includes Occupational Health and Safety criteria (2023).
- Seek ISO 45001 Health and Safety Management System certification at Mantos Blancos and Mantoverde (2024).
- Develop a global Health, Safety and Environment (HSE) 3-Year Strategic Plan (2024).

Capstone's Pinto Valley operation

Employment

Employment is a material topic for Capstone, as it is vital for achieving our goals. We also have significant responsibilities to our employees and contractors. We define this topic as Capstone's performance as an employer, including the composition of our workforce, employee attraction and retention, engagement and conditions of work. Diversity and inclusion, equal opportunity, labour relations and training play an important role in creating meaningful work and a positive work environment that attracts and retains employees, so we include them as sub-topics of Employment.

Why This Matters

People matter to us. Our growth depends on the development of a diverse, engaged and skilled workforce. Employment has a positive impact on the quality of life of workers and local communities, and we recognize it is a key area for the protection of human rights by promoting diversity, equity and inclusion and respect of labour rights. Employment is a key benefit of mining operations, especially in rural or remote areas, providing wages and developing the skills of local people.

We recognize the potential for negative impacts to the human rights of workers in our value chain. We manage this with our contractors and suppliers through our Supplier Code of Conduct.

Capstone, along with the rest of the mining industry, is facing a talent shortage due to factors such as an aging workforce, low representation of women and a deficit of skilled tradespeople. With a large proportion of mining professionals close to retirement, there is now an opportunity to hire, develop and promote a greater diversity of employees.

Healthy labour management relations underpin our efforts to recruit new employees and ensure high levels of productivity and engagement in our workforce. Capstone respects workers' rights to freedom of association, freedom of speech and collective bargaining.

Training and education are highly valued by our employees. By offering opportunities for development, we are better able to attract and retain our employees and build a pool of skilled workers close to our sites.

How We Manage Employment

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Capstone Values, Code of Conduct, Human Rights Policy, Diversity and Inclusion Policy, Respectful Workplace Policy, Supplier Code of Conduct, Whistleblower Policy
Governance	Human Resources and Compensation Committee, Governance, Nominating and Sustainability Committee
Norms and Standards	United Nations Universal Declaration of Human Rights, UN Declaration on the Rights of Indigenous Peoples (UNDRIP), UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, Voluntary Principles on Security and Human Rights, ILO 169 Convention (in Chile and Mexico), Equator Principles Version 4
Training	Code of Conduct and all supporting policies (see Global Policy above), site-based training related to competencies and skills development, tuition reimbursement and paid professional memberships
Stakeholder Engagement	Employee surveys, stay and exit interviews, company-wide newsletters and townhall meetings
Evaluation	Key indicators (e.g., turnover rate, demographics, recruitment data, local hires, employee survey results, outcomes of stay and exit interviews), hotlines and other reporting mechanisms, status of labour grievances

We create a rewarding environment that is responsive to labour dynamics and employee needs. Capstone offers industry-competitive compensation and benefits, as well as professional development opportunities. Through our performance management program, we objectively measure and reward performance at the corporate, operational and individual levels. Our Board of Directors approves annual corporate objectives set by the Executive Committee, which cascade to our operations and are linked to employee compensation. This gives our employees a sense of ownership, enables them to share in Capstone's success and builds awareness and support for implementing Capstone's Sustainable Development Strategy and goals. All our sites have employee recognition programs.

Local communities are an important source of talent. We mainly operate in communities with a long tradition of mining, which gives us access to talented people with knowledge of the industry. Our sites aim to be an employer of choice for this valued local talent. Pinto Valley builds a local presence by participating in community events and fostering relationships with local colleges. Cozamin has built a strong reputation through community, employee and family engagement, with local employees comprising 90% of its total workforce. Mantos Blancos and Mantoverde have both recruited engineering talent from local institutions. Furthermore, Mantoverde has agreements with local technical and secondary schools that will fill jobs in the concentrator plant under development. See the table on 2022 Local Employment in Community and Economic Impact.

We work closely with labour representatives. Compensation and benefits for our unionized employees are covered under site-specific Collective Bargaining Agreements (CBAs). Union relations are managed by sites and are governed by the requirements of each CBA. This includes protocols for regular meetings, timely communications and grievance management.

As of December 31, 2022, 1,879 Capstone employees (62%) were covered by collective bargaining agreements. For US employees, the proportion is 66%.

Capstone's commitment extends to our contractors and suppliers. Capstone is committed to fair labour practices, respect of workers' rights, and a safe, inclusive and diverse work environment. Through our Supplier Code of Conduct (SCC), we extend these performance standards to contractors in our supply chain. Capstone is developing policies and procedures to monitor compliance with the SCC.

We are focused on increasing workforce diversity. Diversity at all levels contributes to a positive work culture because it creates a greater sense of belonging and respect, improves decision-making and promotes innovation. Capstone's Diversity and Inclusion Policy sets an annual target for gender diversity of the Board of Directors.

Summary of Collective Bargaining Agreements at December 31, 2022

1 UNION	2 UNIONS	3 UNIONS
424 EMPLOYEES	812 EMPLOYEES	643 EMPLOYEES
CBA EXPIRY: AUG. 2026	CBA EXPIRY: JUNE 2023*	CBA EXPIRY: OCT. 2025
PINTO VALLEY	**MANTOS BLANCOS**	**MANTOVERDE**

* A new collective bargaining agreement was signed at Mantos Blancos in 2023, which expires in June 2026.


Capstone's Cozamin operation

Hiring procedures at our sites consider diversity. Pinto Valley's hiring practices are aligned with the diversity categories on gender, age, race and veteran status used by the US Equal Employment Opportunity Commission. Cozamin's recruitment procedure, social responsibility procedure, internal inclusion and diversity policy and good practices have resulted in several awards such as Socially Responsible Company and Company Committed to Human Rights issued by the State Human Rights Commission.

Chile's employment regulations require companies to ensure 1% of the workforce is comprised of persons with disabilities. Mantos Blancos achieved this target in 2022 and Mantoverde aims to achieve it by 2023. Diversity and inclusion are priorities for our labour relations advisors in Chile. See Growing Opportunities for Women in Mining.

We share information across all levels of the organization. We communicate information through a variety of mechanisms including emails, newsletters, "town hall" meetings with large groups, bulletin boards and television monitors at sites, and direct engagement with front-line supervisors and their crews. As part of our integration of Capstone Mining and Mantos Copper in 2022, we launched a new quarterly corporate newsletter in both English and Spanish. Each issue includes stories and updates that are contributed by corporate and site teams.

We encourage and act on feedback and concerns. We encourage employees to raise concerns with their supervisor or Human Resources team. If they are not comfortable with these options, they also have access to our global confidential Whistleblower hotline that directs ethical concerns to the Senior Vice President, Risk, ESG and General Counsel (General Counsel) and Chair of the Audit Committee. The hotline is also available for external users.

Pinto Valley also has a safety hotline to report concerns. Cozamin employees can submit concerns through a local hotline or via on-site mailboxes. Complaints can be made anonymously. Mantos Blancos, Mantoverde and Santo Domingo employees have direct email addresses for voicing concerns or observations. We also collect employee feedback through surveys, employee focus groups and roundtables, as well as exit interviews.

Employees covered by collective bargaining agreements may provide feedback or raise grievances through their unions. We work diligently with our unions to resolve any grievances. We consider the ability to resolve grievances to be a leading indicator for healthy management-employee relations and work stoppage reductions. Nine of the ten grievances filed in 2022 at Pinto Valley were settled. One carried over into 2023 and was withdrawn by the union.

Training builds the skills of our employees. Training is essential for ensuring employees work safely, are equipped to succeed in their roles and have advancement opportunities in the organization. Training opportunities are important for employee attraction and retention, especially for younger employees. See Health and Safety.

All Capstone employees receive annual training on key global policies covering Capstone's Code of Conduct. At the site level, employees receive task-specific training to develop competency in their roles. Team leaders provide direct feedback and performance reviews, helping employees improve and develop in their careers. Capstone also supports external professional development opportunities for employees to enhance their skills.

Our leadership programs and internships offer enhanced development for people at different stages of their career. For example, Pinto Valley's Leadership Academy training program for line leaders develops leaders from within the organization by building their leadership competencies. All our sites offer student internships. Mantos Blancos and Mantoverde work with local technical universities that help us to access talented technicians and engineers for our apprentice and trainee programs. Mantos Blancos and Mantoverde also provide scholarships for the children of our employees.

We offer industry-competitive compensation, benefits and professional development opportunities. Through our performance management program, Capstone objectively measures and rewards performance at corporate, operational and individual levels.

2022 Results

Our Growing Workforce

2022 was a milestone year with the combination of Capstone Mining and Mantos Copper. We brought together 3,031 employees and 5,394 contractors for a total workforce of 8,425. Our combined workforce grew by 36% over 2021, driven by the temporary workforce needs of key development and construction projects. There was a 10% increase in our employee base and a 57% increase in our contractor base. The majority of our employees were full-time and permanent with only 2% being part-time or temporary.

At the end of 2022, 36% of our workforce members were employees and 64% were contractors (40% if we remove the short-term contractors associated with MVDP). Contractors play an important role in our workforce and provide specialized expertise necessary for the growth of our operations. While some are core, or long-term contractors, they are often brought in for short-term projects, which can lead to year-over-year fluctuations. From 2021 to 2022 we had an increase of 16% in the proportion of our workforce that were contractors. The additional contractors worked mainly on the Mantoverde Development Project and the dry stack and paste plant construction at Cozamin.

Global new hire rate (22%) and turnover rate (14%) both decreased in 2022 by 28% and 7% respectively, which is an indication of a relatively stable employee workforce. Pinto Valley had a higher-than-average turnover rate due to labor shortages and changing employee expectations in the Arizona labour market, a trend most noticeable in the under-30 category. For gender and age-related breakdown by site. See the tables on Employee Turnover Rate and Employee New Hire Rate in Appendix D.

Opportunities for Women

Capstone Copper is focused on increasing the number of women at all levels of the company. Company-wide, 8% of our employees are women, with Pinto Valley having the highest proportion (12%) among our mine sites. In 2022 we made some hires that set a precedent for female representation in Capstone Copper leadership roles. Pinto Valley hired a woman General Manager, a first for any of Capstone Copper's sites. In Chile, the labour management positions at Mantos Blancos and Mantoverde, historically held by men, are currently held by women. See story on Growing Opportunities for Women in Mining.

Labour Relations

We continued our focus on maintaining solid and proactive labour relations.

Pinto Valley finalized their collective bargaining agreement (CBA), resulting in significant improvements for employees. These include more competitive wages and benefits and improved leave practices. The new agreement also permits Pinto Valley to make future wage increases without re-opening bargaining. In Chile, the Labour Code allows for pre-emptive negotiation during the life of a CBA. We took advantage of this option to ensure negotiations were completed in a timely manner before the CBA expired. Mantoverde and two of its unions negotiated CBAs with three-year terms until 2025.

Capstone did not experience any work stoppages in 2022.

Future Workforce

We also continued our internship programs to build the skilled workforce of the future.

- Pinto Valley's summer internship program hosted 16 students.
- Cozamin participates in internship programs with the University of Zacatecas and the Zacatecas Mining Cluster and had 32 interns in 2022.
- Mantos Blancos had two professional internships in 2022: a mining engineer and a geologist.
- Mantoverde hosted an industrial engineer as an intern in 2022.

See More Employment Results in Appendix D:

- Employees and Contractors by Site and Gender
- Employees by Site, Age Group and Gender
- Employee Turnover Rate
- Employee New Hire Rate

2022 was a milestone year with the combination of Capstone Mining and Mantos Copper, bringing together 3,031 employees and 5,394 contractors for a total workforce of 8,425. The combined workforce grew by 36% over 2021 driven by the temporary workforce needs of key development and construction projects.

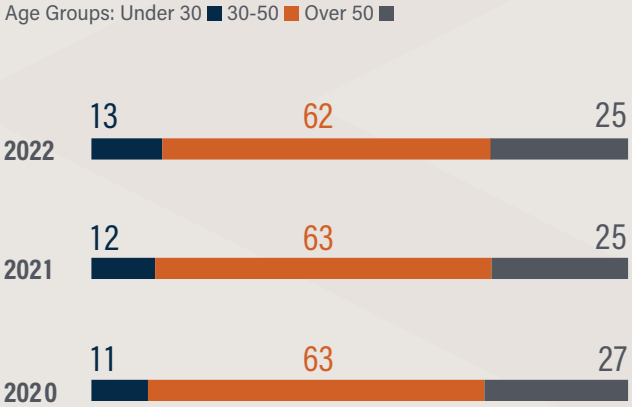
Total Capstone Workforce by Employee/Contractor Split



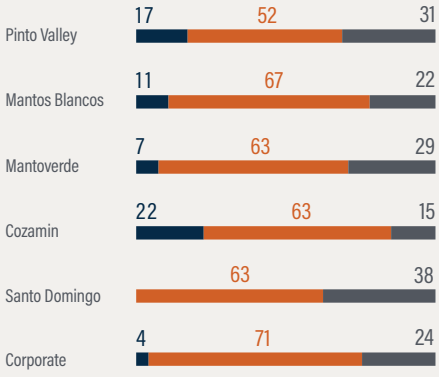
Capstone Workforce by Employee/Contractor Split by Site

	2020		2021		2022	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Pinto Valley	555	116	601	78	644	89
Mantos Blancos	907	2,016	958	852	980	577
Mantoverde	558	713	639	1,718	807	4,025
Cozamin	472	274	490	498	535	684
Santo Domingo	12	83	29	281	16	19
Corporate	38	0	42	0	49	0
Capstone Totals	**2,542**	**3,202**	**2,759**	**3,427**	**3,031**	**5,394**

Three-Year Capstone Employees by Age Group (%)



2022 Capstone Employees by Age Group (%) by Site





3-Year Employee Gender Representation (%)

2022 Employee Gender Diversity by Site (%)

Capstone's Mantos Blancos operation

MANAGING EMPLOYMENT IN CHILE

Growing Opportunities for Women in Mining

Mining is not an obvious career path for women in Chile. However, to develop the skilled workforce we need, it's essential we attract women to the opportunities in mining. Labour relations advisors Claudia Tamblay Bravo (Mantos Blancos) and Dixi Valenzuela Godoy (Mantoverde) are using the perspective gained through their own careers to ensure that all workers, including women, can realize career opportunities from mining.

Their first priority was to build trust with workers and union representatives. (Mantoverde has three unions and Mantos Blancos has two.) Dixi explains, "The most important thing in our job is building trusting relationships with the union and the workers in general, so we can build strategies that provide a future for everyone." Part of their strategy was to train the supervisors on union agreements and be a support at the negotiation table. "We involved managers and superintendents in working groups with the union, so there is shared responsibility to maintain the relationship."

Dixi and Claudia are also working to make their workplaces as comfortable as a second family. Both sites have a commitment to include women among the candidates they present for various positions. At Mantos Blancos, a popular training program for relatives of employees led to several women being hired, most of whom are still with the company.

Claudia and Dixi have considerable human resources experience but only came into their current roles in 2020, both replacing men who had been in the roles for many years. They acknowledge the challenge that comes with shifting a work culture to one that is comfortable with women leaders. However, due to the heightened awareness of diversity and inclusion at Capstone, hiring attitudes are changing. Dixi and Claudia report that they have even heard comments that it's better to have a woman leader because their sensitivity and empathy helps build better relationships. Claudia proudly says, "People recognize that we are here because of our skills, knowledge and experience in our jobs, not just to tick the box of women participation."

31%

of Santo Domingo's employees in 2022 were female.



Capstone's Santo Domingo project

MANAGING EMPLOYMENT

Looking Forward

In 2023 Capstone will:

- Negotiate a new collective bargaining agreement for Mantos Blancos.
- Establish a global Diversity and Inclusion (D&I) Committee comprised of corporate and site-level representatives.

Beyond 2023 Capstone will:

- Develop a Diversity and Inclusion Work Plan (2024).
- Collect data to establish a D&I baseline (2024).
- Establish a D&I goal and target (2025).



Capstone's Pinto Valley operation

Community and Economic Impact

Communities are a priority of our Sustainable Development Strategy. Our priority is to proactively manage impacts and deliver socioeconomic benefits in line with local development priorities. As social and economic impacts are intertwined, we treat community and economic impact as one material topic. In this chapter we discuss how we manage community rights and interests, participate in and support communities socially and economically, and approach local procurement. Impacts that could affect human rights or Indigenous rights are covered in Human Rights.

Why This Matters

Mining has the potential to impact communities – both positively and negatively – during the various phases of the mining life cycle. Capstone operates in regions that have long mining traditions. Communities were often established to support mining, and residents are familiar with mining's challenges and operational requirements.

Mining can make a significant contribution to local economies through tax revenues, employment, procurement and community investments. Our mines create jobs for employees and contractors. They also generate economic activity throughout the value chain: both upstream through the demand for goods and services, and downstream with requirements for road transport and handling of concentrate products at port facilities.

However, the proximity of some of our operations to local communities increases the potential for environmental or socio-economic impacts. Negative community impacts such as dust, noise and traffic can disrupt communities and undermine their support of our operations. Similarly, the activities of our contractors, local suppliers and other business partners may affect communities.

Throughout Mexico, including the regions where we operate, there has been an increase in violence between drug cartels, human trafficking organizations and other criminal enterprises, including violence towards the authorities. Capstone's Cozamin mine operates in Zacatecas, Mexico, a region that is experiencing an increasing rate of criminal activity and violence. Impacts have been experienced in surrounding communities, which in turn affects our employees, contractors and visitors.

See Health and Safety to learn more about how we ensure the security of our employees and contractors, and Human Rights to find out how we balance security needs with the rights of local people.

Sustainable Development Strategy Priority: Community and Economic Impact

PRIORITY

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

TARGET

100% of sites assessed against the Capstone Social Performance Standard by 2025.

STRATEGY

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

Our mines create jobs for employees and contractors. They also generate economic activity throughout the value chain: both upstream through the demand for goods and services, and downstream with requirements for road transport and handling of concentrate products at port facilities.

How We Manage Community and Economic Impact

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Code of Conduct, Integrated EHS&S Policy, Human Rights Policy, Supplier Code of Conduct
Governance	Technical and Operational Performance Committee, Audit Committee
Risk Assessment	ERM framework
	Social, environmental and human rights risk assessments done to satisfy lenders, regulatory agencies or voluntary standards, as needed
Norms and Standards	UN Guiding Principles on Business and Human Rights, UN Declaration on Human Rights, OECD Guidelines for Multinational Enterprises
Training	Employee and contractor training on Capstone Code of Conduct and Human Rights Policy, skills training for community members
Stakeholder Engagement	Regulatory and voluntary engagement processes
Evaluation	Impact of community investments, stakeholder engagement activities, engagement logs, complaints received through internal mechanisms, issues reported to regulatory agencies

Community Rights and Interests

Capstone respects the communities that host our operations. Capstone's Code of Conduct defines expectations for all our relationships, guiding us to grow respectfully and responsibly. Our Human Rights Policy formalizes our requirement to integrate stakeholder engagement into project planning and operations, with an emphasis on the rights of vulnerable groups impacted by our activities. We apply our policy and governance framework to all projects, operations and contractors.

We develop an understanding of community rights and interests. Members of neighbouring communities have economic, social, cultural and environmental rights and interests that may be impacted by, or intersect with, our activities. We recognize these rights and interests through our global policies (see above). We primarily build our understanding of these rights and interests through regulatory processes with mechanisms for public engagement and consultation. See table on Community Interests Identified in Regulatory Processes.

Ongoing interaction with community members, many of whom are also our employees, ensures our understanding grows as community interests evolve or change. As we work toward meeting the Copper Mark Criteria for Responsible Production, we are starting to more proactively map our stakeholder communities, identify their interests and increase engagement.

All our sites have processes related to stakeholder engagement and our understanding of social and environmental impacts and risks. However, these processes vary site by site in their level of formality and maturity. We will be developing a Capstone-wide Social Performance Standard starting in 2023. This will incorporate practices from IFC PS1, ICMM guidance, The Equator Principles and the UN Guiding Principles on Business and Human Rights.

Community Interests Identified in Regulatory Processes

Site	Regulatory Process and Date Completed	Community Interests
Pinto Valley	Environmental Impact Statement (EIS) completed in 2021	Water resources, air quality, land ownership, noise, public health, public safety, recreation and wilderness, socioeconomic conditions, Indigenous interests and traffic
Mantos Blancos	EIS completed in 2019 and updated in 2022	Local employment and procurement, dust, noise from blasting, traffic and social investment
Mantoverde	Mantoverde Development Project and desalination plant assessment completed in 2018	Local employment and procurement, dust, noise from blasting, traffic, social investment, impacts to marine environment and marine harvesting in coastal area (brine discharge area for desalination plant)
Cozamin	Various permits and other engagement processes	Local employment and procurement, dust, noise from blasting, traffic and social investment
Santo Domingo	RCA completed in 2015	Local employment and procurement, improvements in general infrastructure

We listen and respond to feedback and concerns. Impact assessment processes can identify several community interests or concerns sparked by a specific project. We also have mechanisms for stakeholders to submit concerns or suggestions relating to ongoing operations.

While Pinto Valley and Cozamin do not yet have formal community grievance mechanisms, processes are in place to handle complaints. At both sites, community concerns about environmental matters are most often sent directly to regulatory authorities, who then typically initiate an inspection or inquiry to resolve the matter.

When Pinto Valley receives a complaint directly, the site contacts the complainant to understand the concern, implements a solution and follows up to confirm the issue has been adequately resolved. At Cozamin, complaints can be made anonymously using mailboxes located around the site. The management team reviews all submissions monthly, and responses are published in the quarterly newsletter.

Mantos Blancos, Mantoverde and Santo Domingo have formal grievance mechanisms that comply with IFC Performance Standards. In 2023 these mechanisms will be assessed as part of the Copper Mark assurance process at Mantos Blancos and Mantoverde.

Community stakeholders who want to raise a concern anonymously can also use Capstone's Whistleblower hotline. See Embedding Responsibility.

We maintain trusting community relationships through effective engagement. Our sites have processes to identify and engage with stakeholders and record engagement activities. Pinto Valley maintains a monthly register to record interactions with stakeholders. Cozamin, Mantos Blancos and Mantoverde have community relations or social development plans in place.

Some of our sites have unique community interests. For example, some Cozamin mine infrastructure is located on land owned by neighbouring Ejidos, and site management meets regularly with Ejidal leadership to understand community interests. Cozamin has also identified vulnerable stakeholder groups, including children, seniors and people with disabilities. The mine has a program to improve food security, access to education and health opportunities for these groups.

Community Participation and Support

Our sites are active community members. We stay abreast of local interests and concerns by being involved in our communities. Our sites partner with civil society organizations and local or state agencies to sponsor local projects through volunteer time and donations. Sites are encouraged to develop relationships and target support to community-defined priorities.

The table on Community Priorities for Support in Appendix D outlines common categories of community investment or support requested by communities across our operating regions and the key local services, activities or organizations our sites support on an ongoing basis.

We share knowledge and skills with community members. Our sites provide training programs targeted to the needs of community members. These programs, aimed primarily at youth, build skills which may lead to careers in mining. See Employment.

Procurement and Other Economic Benefits

Our local economic impacts include local hiring and procurement.

We hire most of our workforce locally. The wages we pay to our workforce generate benefits that ripple through the economy of our communities. Our local hiring and related training programs may contribute to communities' skill base, attracting other employers.

We emphasize local content in our supply chains. We make efforts to source goods and services locally, which stimulates local economic activity. Working with suppliers near our sites can also make our supply chains more reliable and cost effective:

- At Pinto Valley we work with local suppliers and contractors from the Globe-Miami area for supply of goods such as spare parts or maintenance and construction jobs.
- Cozamin is a member of the Zacatecas Mining Cluster, a committee of local mining companies, suppliers, and both government and educational institutions, that promotes growth in the local mining industry.
- Mantos Blancos is located in Antofagasta, sharing the economic impact with other major mining companies in the region.
- Mantoverde is the main company and contractor in the Chañaral region. As such, it has a significant local and regional economic impact.

All our suppliers, local or global, must conform to our Supplier Code of Conduct.

As active community members, sites are encouraged to develop relationships and support community-defined priorities. Our sites partner with civil society organizations and local or state agencies to sponsor projects through volunteerism and donations.

2022 Results

In 2022 there were no significant impacts on local communities. There were no non-technical delays due to permits, community issues, protests or armed conflict. No community complaints were reported through our Whistleblower hotline.

Cozamin once again received a Socially Responsible Business distinction, awarded annually by the Mexican Center for Philanthropy for sustainability practices in the local community.

We continued to respond to community issues and concerns, such as dust arising from roads. Road dust is a recurring community concern for our operations. The common industry response is to spray roads with water, but since this consumes precious water resources, we have been switching to other approved dust suppressants where possible. In 2022 we took additional measures to respond to communities, including a community-based air quality monitoring station in Baquedano for Mantos Blancos. Input received via Santo Domingo's grievance mechanism led us to begin monitoring air quality, even though the project is still in an early stage. See Air Quality.

Mantoverde responded to a local need for water by planning for our desalination plant to deliver additional water (2-3 L/s) to communities of Flamenco and Las Piscinas, which meets all their water needs. This commitment is part of the site's environmental approvals and will be formalized in 2023 under an agreement with the regional government and the water management company.

At Cozamin, some community members expressed concerns that vibrations from detonations could be destabilizing their homes. In 2022 we set up an ongoing seismograph monitoring program in town to measure vibrations during blasting and shared results with the community.

As Santo Domingo is still in the early stages, site personnel are engaging with local communities to address anticipated concerns. These include the possibility of environmental impacts in the port area, where seaweed harvesting is a local livelihood (see Human Rights). We also agreed to deliver 10 L/s desalinated water to the community of Diego de Almagro to support its future growth.

We continued to provide financial support for community priorities through our community investment programs, and contributed $1.4M US$ across all sites in 2022. See the table on Community Priorities for Support in Appendix D.

Our sites continued to generate economic benefits for the regions where we operate, as well as our local communities and suppliers. Economic benefits flowed to employees in the form of wages and benefits; to suppliers for energy, equipment, materials and services; and to governments through taxes and resource payments. See table on Direct Economic Value Generated and Distributed.

One of the most important ways we produced local economic benefits in 2022 was through jobs for employees and contractors. We are proud to develop local leaders; as a result, a high proportion of our senior managers at most operations are from local communities. See table on 2022 Local Employment below.

In 2022 Pinto Valley commissioned a third-party analysis to estimate the mine's economic impact over a 10-year period from 2021 to 2030. The results show the important contribution Pinto Valley makes to the local and regional economy: US $320.5 million in tax revenue, 2,245 jobs per year and a total of US $1.5 billion in labour income of the period (including direct, indirect and induced positions). In addition, 7% of Pinto Valley's total procurement went to local suppliers. For Capstone as a whole, the result was 14%, consistent with recent years. See table on Spending on Local Suppliers below.

2022 Direct Economic Value Generated and Distributed (in US$ 000s)

	US	Chile	Mexico	Canada and Other	Total
Economic Value Generated					
Revenues[1]	**473,630**	**622,700**	**217,020**	**-17,330**	**1,296,020**
Economic Value Distributed					
Operating Costs[2]	270,010	502,150	59,970	37,540	869,670
Employee Wages and Benefits[3]	53,810	96,700	15,230	14,510	180,250
Payments to Providers of Capital[4]	1,870	25,320	0	3,800	30,990
Income and Resource Taxes[5]	2,170	7,960	60,410	0	70,540
Community Investments[6]	220	880	260	30	1,390
Total Economic Value Distributed	**328,080**	**633,010**	**135,870**	**55,880**	**1,152,840**
Economic Value Retained	**145,550**	**-10,310**	**81,150**	**-73,210**	**143,180**

[1] Revenues are presented based on an accrual basis.
[2] Operating costs include operating expenses at our mining operations, general and administrative expenses, exploration costs, and costs related to production-phase capitalized stripping.
[3] Wages and benefits reflect total amounts to employees relating to wages and benefits, excluding payroll taxes.
[4] Payments to providers of capital includes interest paid to debtholders.
[5] Income and resource taxes include amounts paid during the year.
[6] Community investments include voluntary donations paid during the year.

2022 Local Employment

Employment Type	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo
Total Employees (see Employment)	644	980	807	535	16
Employees from Local Community[1]	364	915	430	481	1
Percent of Employees from Local Community	57%	93%	53%	90%	6%
Proportion of Senior Management[2] from Local Community	13%	50%	60%	57%	0%

[1] Local is defined as the communities in which we operate that are directly impacted economically, socially or environmentally. Local communities at Pinto Valley include Miami, Globe, Greater Globe-Miami area and Claypool. Many employees choose to live in the Greater Phoenix area, which is not included in our definition of local. Mantos Blancos and Mantoverde communities include Antofagasta, Chañaral, Diego de Almagro and Copiapo. Cozamin communities include Hacienda Nueva, Zacatecas City, Morelos, Veta Grande, Guadalupe and Calera; Santo Domingo communities include Diego de Almagro (mine site), Chañaral (transportation route) and Caldera (port facility).
[2] Senior management includes direct reports to mine General Managers.

Spending on Local Suppliers

Spending Type	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Totals by Year 2022	2021	2020
Spending on Local[1] Suppliers (US$ millions)	$18.5	$77.1	$41.9	$42.7	$180.3	$134.3	$99.1
Proportion Spent on Local Suppliers (%)	7%	21%	8%	26%	14%	13%	15%

[1] Local for procurement purposes is defined by sites as follows: Pinto Valley – Miami, Globe, and Greater Globe-Miami area; Cozamin – Zacatecas State; Mantoverde – Atacama Region; Mantos Blancos – Antofagasta Region. We do not report local spending at Santo Domingo because amounts are relatively small at this early stage of the project.

MANAGING ECONOMIC OPPORTUNITIES AT MANTOVERDE

Growing Economic Opportunities for Union Members

Jorge Ahumada has been fishing off the coast of Chile's Atacama Region for 35 years. During that time, he has noticed dramatic declines in most species he fishes, including sardines, croaker and conger eel, which he attributes to unsustainable harvesting.

Quotas have been introduced to address the pressure on the resource, but this affects the income for local fishers. As president of one of the local fishers' unions, Jorge is constantly thinking about the future of his union's 25 members. "The ocean will not continue to provide what everyone needs," he says. "In practical terms, we need to look at cultivation in a way that keeps people working by the sea."

Since 2011, Mantoverde has been working in partnership with sea workers' unions to help them advance a variety of "Productive Development Projects" designed to support union members. Jorge's union proposed a scallop farming project. Mantoverde's annual contribution can be directed to fishing equipment, safety gear, gasoline for boats or scallop "seeds," depending on the union's needs.

Jorge is proud of the success of the program. "In our best year, we produced 80,000 scallops, worth US $16,500 (15 million pesos), for local restaurants, commercial resellers and community members," he notes. Jorge's vision is for members of his union to one day stop fishing in the open ocean and become scallop farmers. "The biggest impact of our project is that our members realize farming seafood is economically viable and they want to get involved."

$US 16.5k

generated for Mantoverde's local economy through a scallop farming Productive Development Project designed to support local union members.



Scallop farming project in Capstone's Mantoverde community



MANAGING COMMUNITY AND ECONOMIC IMPACT

Looking Forward

In 2023 Capstone will:

- Develop a stakeholder engagement plan and grievance procedures and tools for Pinto Valley.
- Convene a round table with community, government and university representatives to address community concerns related to blasting at Cozamin.
- Seek the Copper Mark award at Mantos Blancos and Mantoverde including the social criteria for a stakeholder engagement plan and grievance mechanism.

Beyond 2023 Capstone will:

- Develop the Capstone Social Performance Standard to manage social impacts and socioeconomic contributions, informed by IFC PS1, ICMM guidance, and the UN Guiding Principles on Business and Human Rights (2024).
- Assess 100% of sites against the Standard (2025).

Community members visit Capstone's Cozamin operation

Human Rights

Capstone recognizes and respects the human rights, cultural values, beliefs and traditions of people in the countries and regions where we operate, including the rights of Indigenous Peoples. This topic covers our responsibility to recognize and respect human and Indigenous rights, and to mitigate any impacts to these rights within Capstone and our supply chain.

Why This Matters

Human rights are basic rights that are inherent to all human beings. The respect of human rights is a global norm and fundamental corporate responsibility for all businesses, including the mining industry. Human rights can be affected by mining processes that involve water use, mining wastes, other environmental impacts and security practices. Capstone takes responsibility for avoiding or mitigating any adverse human rights impacts related to our activities. We recognize every person's worth, and their right to be treated with dignity.

Mining companies have the ability to provide long-term value to local communities in which they operate, including Indigenous communities. However, through exploration, development and operations, mining may also have adverse impacts on land that is important to Indigenous communities, affecting Indigenous Peoples and their culture. The rights of Indigenous Peoples are internationally recognized in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In Chile, Indigenous Peoples are not recognized by the existing constitution; rather, they are recognized by Indigenous Law (1993) and the ratification of the ILO 169 Convention in 2008.

Impacts on human and Indigenous rights may also arise through Capstone's value chain. We have not systematically documented all value chain risks, but human rights are part of our Responsible Sourcing Program.

How We Manage Human Rights

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Human Rights Policy, Code of Conduct, Supplier Code of Conduct, Whistleblower Policy
Governance	Governance, Nominating and Sustainability Committee, Technical and Operational Performance Committee
Norms and Standards	United Nations Universal Declaration of Human Rights, UN Declaration on the Rights of Indigenous Peoples (UNDRIP), UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, Voluntary Principles on Security and Human Rights, ILO 169 Convention (in Chile and Mexico), Equator Principles Version 4
Risk Assessment	ERM process, Responsible Sourcing Program
Training	Annual training on Capstone Copper Values, Code of Conduct and supporting policies See the table on Global Policies Relevant to Sustainability in Appendix D.
Stakeholder Engagement	Engagement with Indigenous communities at Pinto Valley and Santo Domingo
Evaluation	Quarterly report to Chief Operating Officer and SVP, Risk, ESG and General Counsel, annual report to the Governance, Nominating & Sustainability Committee, internal controls testing of whistleblower process (reported to Audit)

Our Human Rights Policy goes beyond regulatory requirements to embrace global norms and broadens the human rights commitments in our Code of Conduct. Mantos Blancos and Mantoverde have completed human rights risk assessments, with no high-risk outcomes.

Our human rights governance extends across all Capstone activities. Our Human Rights Policy goes beyond regulatory requirements to embrace global norms and broadens the human rights commitments in our Code of Conduct. Mantos Blancos and Mantoverde have committed to participate in the Copper Mark assurance process, which includes criteria for human rights. Mantos Blancos and Mantoverde have completed human rights risk assessments, with no high-risk outcomes.

Our global employment approach recognizes fair labour practices, diversity, equal opportunity and inclusion. See Employment. Before formalizing material business partnerships, we complete extensive due diligence that includes evaluation of a potential partner's performance on human and Indigenous rights.

We address human rights in our supply chain through our Supplier Code of Conduct and Responsible Sourcing Program. Suppliers are expected to uphold Capstone's human rights standards including prohibiting the use of forced or child labour. Procedures are being developed to ensure conformance with these standards.

We actively monitor trends or events that may increase risk. We evaluate human rights risks and identify appropriate mitigation actions during our annual strategic planning process. Human rights management is a permanent item in Capstone's enterprise risk management (ERM) framework and discussed at annual risk workshops for every site.

We consider human rights in our approach to security. We take a measured and responsible approach to security. See Health and Safety. We regularly evaluate security risks (minimum quarterly through ERM) to ensure our security measures are proportionate to the risks we face. We also consider potential risks and impacts to local communities when making changes to our security measures. While we have full-time security at each site, they are not armed.

In recent years the security situation in Zacatecas, Mexico has worsened significantly due to a rise in criminal activity. On the whole, our presence positively impacts security by providing a legitimate source of income for families and social supports through our community investments. Nevertheless, we adopt a vigilant approach and take measures to protect our employees and sites, dependent on the situation. This can include procedures and training for employees to help them reduce personal security risks in all aspects of their lives. We also work with local authorities.

We include a complaints procedure in our Code of Conduct. This procedure serves as our reporting system for human rights concerns. Concerns can be reported in person or anonymously through the Whistleblower hotline. On a quarterly basis, the Executive Committee reviews all human rights concerns and reports any significant human rights violations to the Board Governance, Nominating and Sustainability Committee.

We value and respect Indigenous cultures and communities. We identify potential impacts of our operations and projects on Indigenous rights and communities through regulatory and consultation processes and our community engagement practices. Pinto Valley and Santo Domingo are our only sites with identified Indigenous interests. The closest Native American community to our Pinto Valley mine is the San Carlos Apache Indian Reservation, which is 30 km away. There are documented cultural sites in the area surrounding the mine. The Santo Domingo mine site will not be near Indigenous territory, but the port area that will service the mine is home to a group that was recently recognized as Indigenous by the Chilean government in 2020.

We protect cultural resources. At Pinto Valley, Capstone engages with Indigenous communities and local stakeholders to protect cultural resource sites that could be affected by current operations or our planned expansion. Mitigation measures in Pinto Valley's Environmental Impact Statement to protect cultural resources include the



Seaweed harvesting in Chile

implementation of an Historic Properties Treatment Plan. The Plan sets out protective measures and data recovery strategies for cultural sites and invites tribal monitors from the Hopi and Zuni tribes to participate in data recovery efforts. Pinto Valley continued implementing the plan in 2022. See story on Respecting Cultural Heritage.

There is also potential for the presence of cultural artifacts at our Santo Domingo project. In the event of archaeological findings, the project commits to protecting the sites, conducting archaeological monitoring during earthwork activities, and regular training on site protection.

We preserve local livelihoods. Coastal residents near the Santo Domingo port area depend on the harvesting of seaweed and mollusks for their livelihoods. We are actively consulting with the residents, some of whom self-identify as Indigenous, and do not anticipate any interruptions to their harvesting activities. The Santo Domingo project may also offer new opportunities for employment.

Our port partner, Puerto Ventanas, was selected partially due to their track record of developing positive community support and initiating community enterprises in the form of locally owned co-operatives. Since Mantoverde's desalination water plant started operating a decade ago, they have been working with the coastal fishermen's union to implement projects that support their activities. See story on Growing Economic Opportunities for Union Members in Community and Economic Impact.

2022 Results

There were no human rights matters of significance in 2022. Using the Uppsala Conflict Data Program definition, we determined that our Cozamin operation in Mexico should be considered to be in an area of conflict. We report the percentage of Capstone's proven and probable mineral reserves in areas of conflict in the table on Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas in Appendix D.

In summary, 1% of Capstone's probable mineral reserves were in conflict affected areas. Of proven mineral reserves, none of Capstone's proven mineral reserves were in areas of conflict as there is no proven mineral reserve at Cozamin.

Cozamin received an award from the State Human Rights Commission of the State of Zacatecas identifying it as a "Company Committed to Human Rights."

In 2022 we did not have any operations or projects in or near Indigenous People's territories, which translates to 0% of proven or probable mineral reserves.

MANAGING HUMAN RIGHTS AT PINTO VALLEY

Respecting Cultural Heritage

Pinto Valley's operations overlap with parts of the Tonto National Forest. Several prehistoric peoples lived by hunting and gathering in this area. The peoples who succeeded them, including the Hohokam and Salado, practiced farming, building and trade, leaving their marks on the landscape when they left the area. Their descendants include members of the Hopi, Pima and Zuni tribes who live in the area today[12].

Selwyn Selina belongs to a Hopi Bear clan and maintains a strong attachment to these ancient cultures. He works as a Tribal Monitor Crew Chief for Westland Resources through a program that is giving a voice to the various tribes that need to be consulted before disturbing cultural artifacts. Pinto Valley's plan to upgrade its tailings storage facility requires extension onto some land within Tonto Forest. The Tribal Monitors were engaged to help identify, document and, in some cases, recover the evidence of past use, for further analysis by archaeologists.

During 2022, Selwyn's team worked ten hours a day for almost six months. In the process, they discovered a variety of archaeological features, such as ancient house blocks, the foundation of a compound with many rooms, a roasting oven and even two tiny beads. The investigation and exhumation of archaeological finds is painstaking and hard on the body, but Selwyn finds it very meaningful. "It's important that I'm here to see this with my own eyes, and document in my own words what was here, to pass this on to my people," he says.

He is not troubled by the understanding that once they are done, the land will be cleared. "There's got to be change," he explains. "People have always adapted. I believe that my connection to that area is not altered even if those things are no longer there. We still celebrate and do the ceremonies, knowing what was there."

Selwyn takes satisfaction in learning more about the people who came before. "What I appreciate the most is visually understanding what they were doing here," he says. "Why did they come here? The unknown is the fascinating part." Selwyn's perspective is now shared widely with Pinto Valley employees and contractors, and he was asked to record a video for cultural awareness.

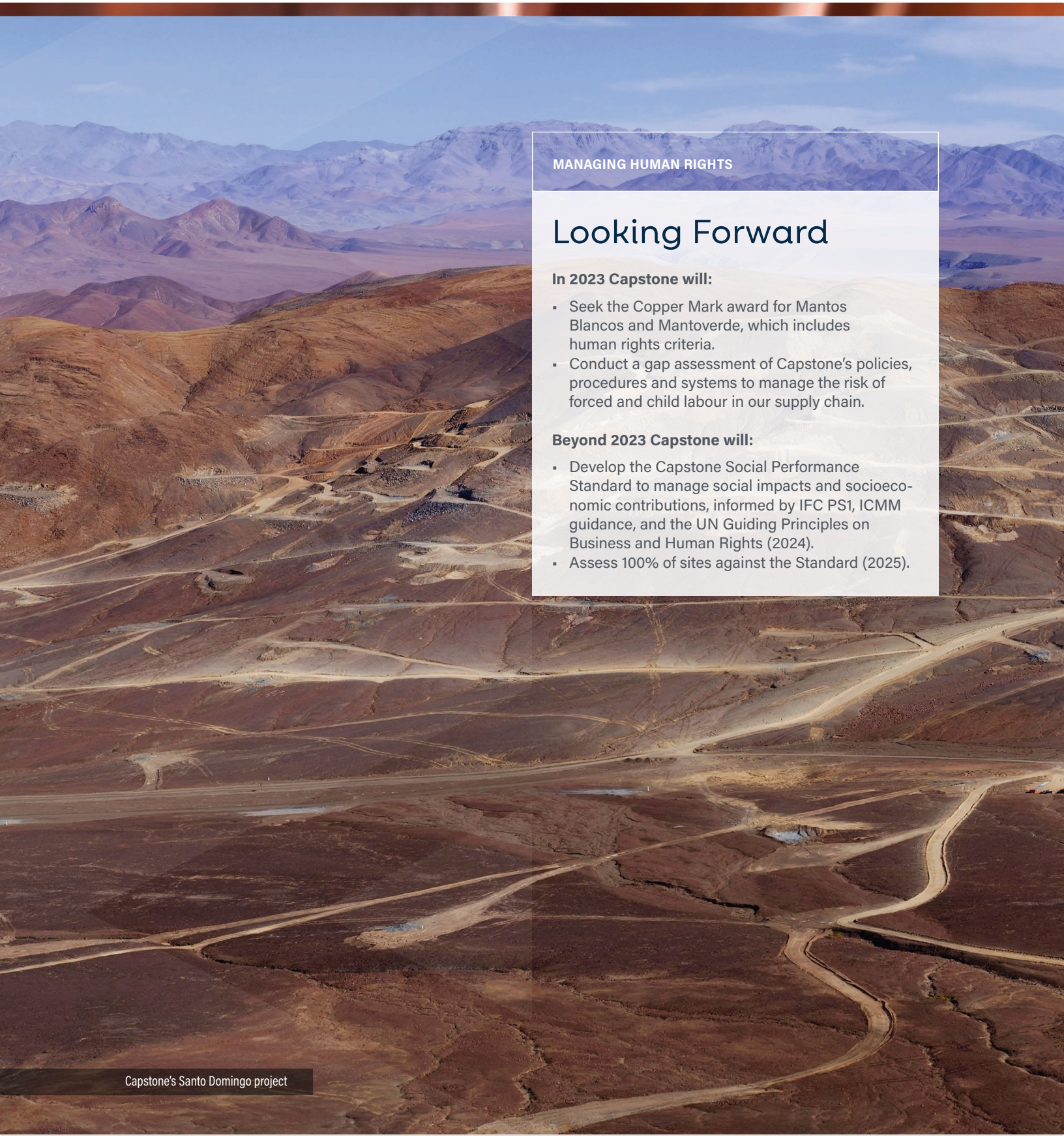
12 Tonto National Forest – History and Culture – US Forest Service



10 hours/day

for six months was required to identify, document and recover evidence of past use for further analysis by archaeologists.

Capstone's Pinto Valley operation



MANAGING HUMAN RIGHTS

Looking Forward

In 2023 Capstone will:

- Seek the Copper Mark award for Mantos Blancos and Mantoverde, which includes human rights criteria.
- Conduct a gap assessment of Capstone's policies, procedures and systems to manage the risk of forced and child labour in our supply chain.

Beyond 2023 Capstone will:

- Develop the Capstone Social Performance Standard to manage social impacts and socioeconomic contributions, informed by IFC PS1, ICMM guidance, and the UN Guiding Principles on Business and Human Rights (2024).
- Assess 100% of sites against the Standard (2025).

Capstone's Santo Domingo project

Anti-corruption

This topic covers the measures we have in place to avoid incidents of bribery, fraud or extortion involving any Capstone employee, director, supplier or any other third party acting on our behalf.

Why This Matters

The potential for corruption is a global concern for the mining industry. Corruption impedes development, undermines the market economy and leads to a loss of confidence in institutions. Local communities may also be affected when project benefits are not fairly distributed. For Capstone, non-compliance with anti-corruption measures could threaten our reputation and expose Capstone and our directors, officers and employees to the risk of prosecution, fines and imprisonment in the jurisdictions where we operate. These risks extend throughout our value chain. For these reasons, we have prioritized anti-corruption as a material topic, distinct from other compliance measures.

How We Manage Anti-corruption

Our Global Management Approach

This table summarizes the components of our management approach that are applicable to all sites. Sites implement them in a manner that respects local conditions in their jurisdiction.

Global Policy	Code of Conduct, Anti-Bribery Policy, Supplier Code of Conduct, Whistleblower Policy
Governance	Board of Directors; Executive Committee; SVP, Risk, ESG and General Counsel; Governance, Nominating and Sustainability Committee
Compliance	Applicable laws in jurisdictions of operation, including Canadian Extractive Measures Transparency Act (ESTMA), Canadian Corruption of Foreign Public Officials Act, US Foreign Corrupt Practices Act, Chilean Law N°20.393 on the Criminal Liability of Legal Entities
Training	Annual training on Global Policies, training for Chilean sites in line with crime prevention manual
Evaluation	Whistleblower hotline, quarterly reports to the Board of Directors

Doing business responsibly is fundamental to our work culture. Capstone respects and follows anti-corruption laws. Capstone employees, directors and suppliers conduct business in an honest and ethical manner when dealing with government officials and any other parties. Anti-corruption is part of the global risk-based decision-making processes we apply to all business activities.

We have comprehensive anti-corruption policies. Anti-corruption governance starts with Capstone's Code of Conduct and is supplemented by an Anti-Bribery Policy. All employees and directors are required to annually confirm in writing that they have read, understood and agree to comply with the policy, and to complete training on the policy and our Code of Conduct.

Doing business responsibly is fundamental to our work culture. Capstone respects and follows anti-corruption laws. Capstone employees, directors and suppliers conduct business in an honest and ethical manner when dealing with government officials and any other parties. Anti-corruption is part of the global risk-based decision-making processes we apply to all business activities.

In addition, Capstone Chile has adopted a Crime Prevention Model with a Crime Prevention Officer who reports monthly on due diligence activities. The program is supported by a Compliance Manual and annual training.

Our Chilean sites document all meetings with government or public representatives (including local organizations, community members or NGOs) in a database, which is reviewed monthly by the Compliance Officer. Under the Lobbying Act of Chile, information on meetings with a government representative can be accessed through a public portal.

Anti-corruption extends to our suppliers. We implement anti-corruption in our procurement practices, through both our Supplier Code of Conduct and our Anti-Bribery Policy. Suppliers can access these documents through the Supplier Hub on Capstone's website. As needed, we also include anti-corruption in contractual requirements.

The Board and Executive Committee oversee our anti-corruption efforts. The Board has appointed Capstone's SVP, Risk, ESG and General Counsel to oversee administration of the Anti-Bribery Policy. This senior officer reports directly to the Board. Every quarter, our sites must report any legal violations, including anti-bribery breaches, to the Executive Committee. Significant risks and violations are reported to the Governance, Nominating and Sustainability Committee on a quarterly basis. Any incidents of corruption or bribery reported through Capstone's Whistleblower hotline are reported directly to the Board.

We annually disclose payments made to public bodies in Canada and abroad as required by the Canadian Extractive Measures Transparency Act (ESTMA).

2022 Results

We have assessed all Capstone sites for risks related to corruption, including Pinto Valley, Cozamin, Mantos Blancos, Mantoverde and Santo Domingo, and no significant risks have been identified.

In 2022 there were no significant corruption incidents reported at any of our sites. Minor instances were investigated and resolved, and no indications of corruption were found.

We communicate anti-corruption policies to Board members and employees through onboarding and our annual policy sign-off procedure. All employees are expected to complete the annual sign-off.

Anti-corruption training for the Board is accomplished through the materials that accompany the policy sign-off.

Sites are responsible for employee training and are provided with Capstone-wide training materials to accompany the annual sign-off.

As the level of tracking varies, we do not have a consolidated view of the number or percentage of employees who received training. In 2022 100% of the following groups received training: corporate employees, senior leaders and Human Resources teams at sites.

We communicate our anti-corruption policies to new business partners through the contracting process. We do not require annual sign-off for established business partners and we do not provide training.



MANAGING ANTI-CORRUPTION

Looking Forward

In 2023 Capstone will:

- Conduct training at Cozamin on security awareness and extortion call management.
- Implement a Know-Your-Client (KYC) process for marketing contracts including an assessment of anti-bribery and corruption risk.
- Seek the Copper Mark award at Mantos Blancos and Mantoverde which includes Business Integrity requirements.

Capstone's Cozamin operation

5
Appendices

Appendix A

Glossary

Baseline Water Stress
Ratio of total water demand (domestic, industrial and agricultural) to available renewable water supplies (surface and groundwater). Higher values indicate more competition among users.

Brownfield
Exploration or mining that takes place in an area near or adjacent to an existing mining operation.

Centerwell
A designed cylinder in the center of the thickener that receives the process slurry and serves to minimize turbulence and direct the flow into the thickener.

Downgradient
The direction that groundwater flows; similar to 'downstream' for surface waters.

Dry stack tailings
A tailings storage method that involves removing water from the tailings, then placing and compacting the tailings in a storage facility.

Energy, emissions or water intensity
A measure to assess energy, emissions or water efficiency; refers to the amount of energy, emissions or water required per unit output or activity.

Greenfield
Exploration or mining that takes place in an area where there has been no previous activity.

Hydraulic capture zone
Area around a groundwater or drinking water supply that contributes water to the supply.

Independent Tailings Review Board (ITRB)
A board that provides independent technical review of the design, construction, operation, closure and management of tailings facilities. The independent reviewers are third parties who have not been directly involved with the design or operation of the particular tailings facility.

NOx and SOx
The common abbreviations for nitrogen oxide and sulphur oxide emissions which are produced when fuel is burned at high temperatures; NOx and SOx negatively impact air quality.

Particulate matter (PM)
A complex mixture of solid and liquid particles; the main air pollutant in mining.

Paste backfill
Tailings with enough water content removed to create a paste consistency that is mixed with a binder, such as cement, then pumped underground into mined-out voids to provide ground support.

Pit dewatering
The process of removing or pumping water that collects in the pit bottom when it extends below the water table and fills with water in the form of ground water intrusion and storm water.

Pregnant leach solution
Acidic metal-laden water generated from stockpile leaching and heap leaching; used in the solvent extraction-electrowinning (SX/EW) process.

Pre-stripping
The removal of waste rock to facilitate access to the ore body.

Scenario analysis
A process that allows a company to develop an understanding of how the physical and transition risks of climate change may impact its businesses, strategies and performance under different hypothetical future conditions.

Sludge
Liquid waste produced by mining activities.

Slurry tailings deposition system
A disposal method characterized by pumping watery tailings to a designated tailings dam.

SX/EW
Solvent extraction-electrowinning technology, a process that leaches copper from rock.

Tailings
Waste materials left after the target mineral is extracted from ore; consist mainly of crushed rock and water.

Waste rock
Mined native bedrock that is not processed for extraction of minerals or mineral product.

Wet scrubbers
Devices that use a scrubbing solution to help eliminate PM and other pollutants.

Appendix B

GRI and SASB Index

Capstone Copper has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
GRI 1: Foundation 2021					
General Disclosures					
GRI 2: General Disclosures 2021	2-1		Organizational details	6, 2022 Year-end Report to Shareholders	
	2-2		Entities included in the Capstone's sustainability reporting	6, 26	
	2-3		Reporting period, frequency and contact point	26	
	2-4		Restatements of information	26	
	2-5		External assurance	26	
	2-6		Activities, value chain and other business relationships	6	
	2-7		Employees	6, 72, Appendix D (p. 113, 114)	
	2-8		Workers who are not employees	6, 72, Appendix D (p. 113)	
	2-9		Governance structure and composition	16, 17, 18, Management Information Circular (MIC) (pp. 18-19), Annual Information Form (AIF) (pp. 110-111)	
	2-10		Nomination and selection of the highest governance body	16, MIC (pp. 8-17)	
	2-11		Chair of the highest governance body	16, MIC (p. 16)	
	2-12		Role of the highest governance body in overseeing the management of impacts	17, 18, MIC (pp. 18-19, 25)	
	2-13		Delegation of responsibility for managing impacts	16, 20	
	2-14		Role of the highest governance body in sustainability reporting	26	
	2-15		Conflicts of Interest	Code of Conduct (p. 3), MIC (pp. 30-31), AIF (p. 113)	
	2-16		Communication of critical concerns	19, MIC (p. 31), Whistleblower Policy	
	2-17		Collective knowledge of the highest governance body	16, 18, MIC (p. 24)	
	2-18		Evaluation of the performance of the highest governance body	18, MIC (p. 22)	
	2-19		Remuneration policies	MIC (pp. 35-64)	
	2-20		Process to determine remuneration	17, MIC (pp. 35-64)	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
GRI 1: Foundation 2021					
General Disclosures					
GRI 2: General Disclosures 2021	2-21		Annual total compensation ratio	Information not available.	Data unavailable. We do not have a centralized payroll system that would enable calculation of median compensation for all other employees.
	2-22		Statement on sustainable development strategy	4	
	2-23		Policy commitments	19, 20, Appendix D (p. 107)	
	2-24		Embedding policy commitments	19, 20	
	2-25		Processes to remediate negative impacts	21, 79	
	2-26		Mechanisms for seeking advice and raising concerns	19, 79, Whistleblower Policy	
	2-27		Compliance with laws and regulations	21, 22	
	2-28		Membership associations	22	
	2-29		Approach to stakeholder engagement	23, Appendix D (p. 108)	
	2-30		Collective bargaining agreements	6, 70, 72	
GRI 3: Material Topics 2021	3-1		Process to determine material topics	24	
	3-2		List of material topics	25	
Community and Economic Impact					
GRI 3: Material Topics 2021	3-3		Management of material topics	78	
GRI 201: Economic Performance 2016	201-1		Direct economic value generated and distributed	81	
GRI 202: Market Presence 2016	202-2		Proportion of senior management hired from the local community	81	
GRI 204: Procurement Practices 2016	204-1		Proportion of spending on local suppliers	81	
GRI 413: Local Communities 2016	413-1		Operations with local community engagement, impact assessments and development programs	78, 79, Appendix D (p. 117)	
GRI 413: Local Communities 2016	413-2		Operations with significant actual and potential negative impacts on local communities	80	
SASB Community Relations		EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	78	
SASB Community Relations		EM-MM-210b.2	Number and duration of non-technical delays	80	
SASB Activity metric		EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	11	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
Anti-corruption					
GRI 3: Material Topics 2021	3-3		Management of material topics	89	
GRI 205: Anti-Corruption 2016	205-1		Operations assessed for risks related to corruption	90	
GRI 205: Anti-Corruption 2016	205-2		Communications and training about anti-corruption policies and procedures	90, Code of Conduct, Supplier Code of Conduct	
GRI 205: Anti-Corruption 2016	205-3		Confirmed incidents of corruption and actions taken	90	
SASB Business Ethics & Transparency		EM-MM-510A.1	Description of the management system for prevention of corruption and bribery throughout the value chain	90, Supplier Code of Conduct	
SASB Business Ethics & Transparency		EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	No production in the countries that have the lowest 20 rankings.	
Water					
GRI 3: Material Topics 2021	3-3		Management of material topics	37	
GRI 303: Water and Effluents 2018	303-1		Interactions with water as a shared resource	37, 38	
GRI 303: Water and Effluents 2018	303-2		Management of water discharge-related impacts	37, 38, 39	
GRI 303: Water and Effluents 2018	303-3		Water withdrawal	39, 40, Appendix D (p. 109)	
GRI 303: Water and Effluents 2018	303-4		Water discharge (breakdown by destination)	39, Appendix D (p. 109)	
GRI 303: Water and Effluents 2018	303-5		Water consumption	39, 40, Appendix D (p. 109)	
SASB Water management		EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	39, 40, Appendix D (p. 109)	
SASB Water management		EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	39	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
Biodiversity					
GRI 3: Material Topics 2021	3-3		Management of material topics	51	
GRI 304: Biodiversity 2016	304-1		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	51	
GRI 304: Biodiversity 2016	304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations	53	
SASB Biodiversity Impacts		EM-MM-160a.1	Description of environmental management policies and practices for active sites	53	
SASB Biodiversity Impacts		EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	53	
SASB Biodiversity Impacts		EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	51, Appendix D (p. 118)	
Energy and Climate Change					
GRI 3: Material Topics 2021	3-3		Management of material topics	29	
GRI 201: Economic Performance 2016	201-2		Financial implications and other risks and opportunities due to climate change	30, Appendix C: TCFD Disclosures	
GRI 302: Energy 2016	302-1		Energy consumption within the organization	31	
GRI 302: Energy 2016	302-3		Energy intensity	31	
SASB Energy Management		EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	31	
GRI 305: Emissions 2016	305-1		Direct (Scope 1) GHG emissions	31, 32	
GRI 305: Emissions 2016	305-2		Energy indirect (Scope 2) GHG emissions	31, 32	
GRI 305: Emissions 2016	305-4		GHG emissions intensity	31, 32	
SASB Greenhouse Gas Emissions		EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	31, 32	
SASB Greenhouse Gas Emissions		EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	31, Appendix C: TCFD Disclosures	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
Air Quality					
GRI 3: Material Topics 2021	3-3		Management of material topics	56	
GRI 305: Emissions 2016	305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	58	
SASB Air Quality		EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N20), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	58	
Tailings and Waste					
GRI 3: Material Topics 2021	3-3		Management of material topics	44	
GRI 306: Waste 2020	306-1		Waste generation and significant waste-related impacts	43, 46, 47	
GRI 306: Waste 2020	306-2		Management of significant waste-related impacts	44, 46	
GRI 306: Waste 2020	306-3		Waste generation by composition	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.4	Total weight of non-mineral waste generated	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.5	Total weight of tailings produced	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.6	Total weight of waste rock generated	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.7	Total weight of hazardous waste generated	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.8	Total weight of hazardous waste recycled	47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	22, 47	
SASB 2021 Waste and Hazardous Materials Management		EM-MM-150a.10	Description of waste and hazardous materials management	44, 46	
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.1	Tailings storage facility inventory table	45, Appendix D (p. 110)	
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	44, 46	
SASB 2021 Tailings Storage Facilities Management		EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans	45	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
Employment					
GRI 3: Material Topics 2021	3-3		Management of material topics	69	
GRI 401: Employment 2016	401-1		New employee hires and employee turnover	72, Appendix D (p. 115, 116)	
GRI 405: Diversity and Equal Opportunity	405-1		Diversity of governance bodies and Employees	16, 71, 72, Appendix D (p. 113, 114), MIC (p. 8)	
SASB Labor Relations		EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	70	
SASB Labor Relations		EM-MM-310a.2	Number and duration of strikes and lockouts	72	
SASB Activity metric		EM-MM-000.B	Total number of employees, percentage contractors	72, 73, Appendix D (p. 113)	
Health and Safety					
GRI 3: Material Topics 2021	3-3		Management of material topics	61	
GRI 403: Occupational Health and Safety 2018	403-1		Occupational health and safety management system	61, 62, 66	
GRI 403: Occupational Health and Safety 2018	403-2		Hazard identification, risk assessment, and incident investigation	63	
GRI 403: Occupational Health and Safety 2018	403-3		Occupational health services	63, 64	
GRI 403: Occupational Health and Safety 2018	403-4		Worker participation, consultation, and communication on occupational health and safety	63	
GRI 403: Occupational Health and Safety 2018	403-5		Worker training on occupational health and safety	63, 66	
GRI 403: Occupational Health and Safety 2018	403-6		Promotion of worker health	63, 64	
GRI 403: Occupational Health and Safety 2018	403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
GRI 403: Occupational Health and Safety 2018	403-8		Workers covered by an occupational health and safety management system	62, 66	
GRI 403: Occupational Health and Safety 2018	403-9		Work-related injuries	63, 66, Appendix D (p. 112)	
GRI 403: Occupational Health and Safety 2018	403-10		Work-related ill health	66, Appendix D (p. 112)	
SASB Workforce Health & Safety		EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	66, Appendix D (p. 112, 113)	

Appendix B: GRI and SASB Index

GRI Standard	GRI Disclosure Number	SASB Code	GRI Disclosure / SASB Metric	2022 Report Page or Reference	Reasons for Omission
Human Rights					
GRI 3: Material Topics 2021	3-3		Management of material topics	84	
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	86, Appendix D (p. 118)	
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	86, Appendix D (p. 118)	
SASB Security, Human Rights & Rights of Indigenous Peoples		EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	84, 85	

Appendix C

TCFD Disclosures

We have begun to align our disclosure practices with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our progress is reported in relation to the four TCFD framework elements: Governance, Strategy, Risk Management and Metrics and Targets. Each section starts with the TCFD guidance for that element.

Governance

a) Describe the board's oversight of climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities.

Capstone's Board oversees management to ensure our long-term goals and strategic plan reflect the climate-related opportunities and risks of Capstone's business.

As outlined in the Board Terms of Reference for ESG Oversight, the Board is responsible for providing oversight and guidance to Senior Management on Capstone's Sustainable Development Strategy, risks, and opportunities, and for overseeing the effectiveness of policies, procedures, practices and controls implemented by senior management with respect to Capstone's Sustainable Development Strategy.

The Board delegates oversight of climate-related risks and opportunities to the Technical and Operational Performance Committee.

Two Board members have specific competencies relevant to climate change and others have more general sustainability experience. In 2022 the Board and Management received education on climate change, GHG emissions and decarbonization pathways.

Senior management reports on all major risks including climate change and other ESG risks, identified through our ERM framework, to the Board on a quarterly basis.

Responsibility for managing climate-related risks is shared between three senior executives:

- Chief Operating Officer is responsible for overseeing and implementing strategies to align business operations with environmental sustainability including our carbon reduction strategy.
- Senior Vice President of Risk, ESG and General Counsel is responsible for monitoring progress and any changes related to the Sustainable Development Strategy, overseeing climate and other ESG disclosure practices, regulatory compliance and managing the ESG governance framework.
- Senior Vice President, Technical Services is responsible for tailings and water management and ensuring the responsible and sustainable management of tailings and water resources including climate-related risks.

Executive compensation is directly linked to ESG performance through our corporate scorecard. Our 2022 corporate scorecard placed 15% weighting on environment and ESG-related factors which included climate change-related goals.

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (including plans for transitioning to a low-carbon economy such as GHG emissions reductions targets and specific activities to reduce GHG emissions in operations and value chain).

Climate-related Risks and Opportunities

Capstone has conducted a qualitative assessment of short, medium and long-term climate-related risks and opportunities at the corporate level to understand the most material ways in which climate change may impact

Appendix C: TCFD Disclosures

Strategy *continued*

our business. We also use the ERM Framework to identify where climate-related risks may accelerate.

Key climate-related risks identified to date are included in the tables on Physical Risks and Transition Risks below. In 2022, Capstone's Chilean operations (Mantos Blancos and Mantoverde) completed a qualitative climate-related risk and opportunity assessment and scenario analysis considering the recommendations of the TCFD and the Equator Principles guidelines.

General interpretations of the macro-scale models considered were based on climatic projections for the period between 2035 and 2060. The assessment considered a global emissions trajectory scenario (RCP8.5[1]) and a proactive, ambitious global response to transition risk. The physical and transition risks and opportunities were assessed using the probability of occurrence scale and impact levels based on the definitions used within Capstone and were detailed on a risk register listing corresponding mitigation or contingency plans.

In 2023, Capstone will expand this detailed climate-risk analysis to all Capstone sites.

Physical Risks

Risk	Potential Impacts	Initiatives to Manage Risks
Water Stress and Drought	Water shortages – caused by changes in precipitation patterns and prolonged drought conditions in already water-scarce regions – may impact the productivity of our operations.	We have implemented strategies to conserve freshwater, such as maximizing reuse and reducing evaporation. We continually improve the accuracy of our site water balance models using climate trend data and drought cycle forecasting. Capital planning and allocation decisions consider water availability. The option to use desalinated seawater for Chilean operations is a key aspect of our climate resilience. Find out more about how we manage water risks in Water.
Extreme Weather Events	Increased severity and occurrence of the effects of extreme weather events such as floods, landslides, tidal waves, heat waves, drought and wildfires near our sites could lead to operational interruptions, health and safety risks to personnel, damage to public infrastructure and essential transport routes, and negative impacts to communities and livelihoods.	We engage directly with authorities and stakeholders on regional emergency preparedness and response and adaptation planning. The effects of extreme weather events are considered in our site technical designs, stormwater management systems and mine closure plans.

1 Representative Concentration Pathway 8.5 adopted by the Intergovernmental Panel on Climate Change (Fifth Assessment Report, 2014) and used to model the worst-case scenario whereby emissions continue to rise throughout the 21st century.

Appendix C: TCFD Disclosures

Strategy *continued*

Transition Risks

Risk	Potential Impacts	Initiatives to Manage Risks
Regulatory Changes	Government policies and regulations aimed at mitigating or adapting to climate change could have financial implications for our operations. Carbon pricing policies may increase operating costs, including a higher cost of electricity and fuels, or costs linked to emissions produced. Increased regulatory and permitting requirements related to energy and emissions management may require additional human resources and technology investments.	Currently, none of Capstone's operations are covered by carbon pricing regimes. Chile has adopted a Green Tax law with a carbon tax component. At present, none of our Chile operations meet the thresholds for taxation.
Restriction of freshwater use for mining purposes	Increased operating costs and/or operating restrictions.	Our Sustainable Development Strategy includes a goal to increase low-quality or recycled water as a proportion of total water consumed. We identify opportunities for low-quality water sourcing such as the use of a desalination plant for Mantoverde's operations.
Changes to insurance coverage	Exposure of our operations to physical climate risks could lead to increased insurance premiums or reduced availability of insurance.	Capstone continues to transfer risks as appropriate through a robust global insurance program. Capstone maintains an insurance captive as a strategic tool to mitigate against future gaps in coverage availability.
Supply disruption or shortage	Increased costs and/or operating disruptions.	There are several strategies to address this risk: identification of critical suppliers, multiple contracts for critical supplies and contracting with local suppliers.
Reputation	Capstone's performance in managing climate change could impact our reputation with stakeholders, including communities, employees, investors, and governments. Poor performance could impact Capstone's ability to secure project financing or regulatory approvals.	Our Sustainable Development Strategy includes a goal to reduce GHG emissions from fuel and power by 30% by 2030, using a 2021 baseline. We disclose Scope 1 and 2 GHG emissions annually. We conduct proactive outreach with the investment community and stay up to date on disclosure requirements and expectations.

Appendix C: TCFD Disclosures

Strategy *continued*

Transition Plan

In 2022, Capstone took a big step forward in developing our climate transition plan by adopting a Sustainable Development Strategy, identifying decarbonization pathways, setting a 2030 GHG reduction target and outlining our strategy for achieving the target.

Climate is one of five priority areas in our Sustainable Development Strategy adopted in 2022. Our climate priority is to reduce Capstone's carbon footprint. We have adopted a target to reduce GHG emissions from fuel and power emissions by 30% by 2030 over 2021 baseline. See Sustainable Development Strategy for information on the other four priority areas.

In 2022, we completed a company-wide decarbonization study using two decarbonization scenarios to model emissions reductions against business as usual and identify potential decarbonization pathways along with concept level costing. This work enabled us to outline at a high level our carbon reduction strategy to achieve our GHG reduction target.

Our carbon reduction strategy to 2030 is as follows:

- Transition to 50% renewable electricity in Chile by 2025.
- Transition to >90% renewable electricity across Capstone by 2030.
- Study renewable power self-generation and storage options at Pinto Valley.
- Assess future growth opportunities against our 2030 target and incorporate carbon reduction initiatives into engineering and design studies.
- Pursue diesel displacement opportunities such as electrification of equipment such as raffinate boosters and boilers.

In 2023, we will establish a working group for our Climate priority made up of cross-functional corporate and site representatives to develop a more detailed climate action plan for reducing emissions and managing climate-related risks and opportunities

Appendix C: TCFD Disclosures

Risk Management

a) Describe processes for identifying and assessing climate-related risks.

b) Describe processes for managing climate-related risks.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

We use our ERM framework to identify, assess and monitor climate-related risks. Our ERM process produces a quarterly risk assessment of strategic, operational, and financial risks for Capstone.

Risks relating to social or environmental impacts are documented and reported through our ERM framework. Site and corporate teams collaborate to identify and assess risks. Detailed risk registers are developed for the operating sites, major projects, and corporate activities. The site and project risk registers are assessed, evaluated, and updated through workshops and meetings with General Managers and their respective management teams. Top risks at each site are regularly discussed during management meetings.

We plan to integrate our ERM framework with TCFD recommendations. In 2023 we are launching a cross-functional ESG Disclosures Committee to identify climate-related risks and opportunities across the company and use a diverse set of climate scenario analyses to better understand our exposure and resiliency to our most significant physical and transitional risks.

Metrics and Targets

a) Disclose the metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.

We are committed to reducing our GHG emissions and have been disclosing GHG emissions in our sustainability reports for a number of years. In 2022 we completed a GHG inventory that establishes 2021 as the baseline year for Capstone's GHG emissions and provides a basis for GHG target setting.

Capstone reports the following emissions:

- Scope 1 emissions related to fuel and electricity use.
- Scope 2 emissions associated with electricity use.

We do not report Scope 3 emissions. In 2023, Capstone will begin to assess Scope 3 emissions for Mantos Blancos and Mantoverde, and for Pinto Valley and Cozamin in 2024. See Energy and Climate Change.

We set a global target to reduce GHG emissions from fuel and power by 30% by 2030, using a 2021 baseline. This target is in line with the Paris Agreement and includes GHG emissions for operating assets as of 2021. The Santo Domingo Project is not included in our baseline or target. Starting in 2023, we will report progress against this target.

Appendix D

Additional Data and Other Disclosures

▪ Global Policies Relevant to Sustainability	107
▪ Stakeholder Categories and Engagement Approaches	108
▪ Water Withdrawal and Discharge by Site	109
▪ Tailings Storage Facility Inventory	110
▪ Ambient Air Quality Monitoring, Measurement and Reporting Processes	111
▪ Work-related Injuries and Ill Health	112
▪ Employees and Contractors by Site and Gender	113
▪ Employees by Site, Age Group and Gender	114
▪ Employee Turnover Rate	115
▪ Employee New Hire Rate	116
▪ Community Priorities for Support	117
▪ Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas	118

Appendix D: Additional Data and Other Disclosures

Global Policies Relevant to Sustainability

Policy Name	References Global Norms	Stipulates Due Diligence	Stipulates Precautionary Principle[1]	Stipulates Respect for Human Rights	Approval Level
Anti-Bribery	Yes. All international and local anti-bribery and anti-corruption laws.	Due diligence on third parties.	Yes	No	BOD
Code of Conduct	Yes. Respect for the law.	No, but refers to supporting policies that may include this practice.	Yes	Yes	BOD
Diversity and Inclusion	No	No	No	Yes	BOD
Human Rights	Yes. United Nations Guiding Principles on Business and Human Rights, the United Nations' Universal Declaration of Human Rights, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Evaluate and track effectiveness of company response; due diligence on supplier performance and compliance.	Yes	Yes	BOD
Integrated Environment, Health, Safety and Sustainability	Yes. Operate in accordance with recognized industry EHS standards and applicable regulations and laws.	Yes. Risk management practices to identify and control risks and minimize environmental impacts.	Yes	No	BOD
Respectful Workplace	No	Yes. Process for resolving complaints and corrective actions.	Yes	No	CEO
Supplier Code of Conduct	Yes. Laws, regulations, codes and other regulations and governmental requirements in their jurisdictions in which they operate and in those jurisdictions in which they conduct business with or for Capstone.	Yes. Establishes a program to report and investigate concerns.	No	Yes	CEO
Tailings Management	Yes. Comply with all applicable legal requirements, and conform with generally accepted, reasonable and prudent tailings engineering practices. Manage TSFs commensurate with the risks they pose, through implementation of BAT (Best Available Technology) and BAP (Best Available Practice).	Yes. Regularly conduct independent tailings reviews to evaluate all aspects of tailings planning, design, construction, operation and maintenance of each TSF.	Yes	No	BOD
Whistleblower	No	Yes. Establishes a program to report and investigate concerns.	Yes	Yes	BOD

Appendix D: Additional Data and Other Disclosures

Stakeholder Categories and Engagement Approaches

Stakeholder Group	Who They Are	How We Engage
Employees and Contractors	Hourly, salary, union and non-union employees and full-time contractors regularly on site performing core business functions	Individual and group meetings, town halls, surveys, intranet, materials mailed to homes, emails, social media
Governments	Local, regional and national government bodies responsible for implementing related legislation or with mandated interest in our operations and projects	In-person meetings, site visits, regulatory inspections, participation in government consultation on relevant local issues
Indigenous Groups	Self-determined and/or as identified by national or international legislation and standards	In-person meetings, site tours, information presentations at community meetings, participation in community events, job fairs, information exchange in technical groups
Industry and Professional Associations	Associations that regulate members or lobby on their behalf	Board of Directors meetings, committee meetings, conference calls, review policy and position statements, comments on proposed regulations
Local Communities	Communities that may be economically, socially or environmentally impacted by our operations and projects	In-person meetings, site tours, participation in community events, job fairs, community response mechanisms, social media
Local/Public Institutions	Local entities that provide a community service (e.g., emergency service providers, hospitals, colleges, universities)	In-person meetings, written and verbal correspondence, training programs and exercises
Non-government Organizations	Local-level groups focused on community, health or environmental interests	Verbal and written correspondence, meetings
Shareholders, Potential Investors, and ESG Research and Rating Agencies	Individuals or entities with interest in Capstone's financial, operational and ESG performance	Conference calls, one-on-one and group meetings with Board and management, annual general meeting, news releases, disclosure documents, presentations, site tours
Suppliers, Business Partners and Customers	Entities that provide an input to Capstone's value chain either upstream or downstream of our operations	In-person meetings, written and verbal correspondence
Unions	Collective bargaining agreements at Pinto Valley and Cozamin	In-person meetings, written and verbal correspondence

Appendix D: Additional Data and Other Disclosures

Water Withdrawal and Discharge by Site (cubic metres)

	Pinto Valley			Mantos Blancos			Mantoverde			Cozamin			Santo Domingo			Totals by Year			
Water Withdrawal[1] by Source	Fresh[2]	Low Quality or Other	Total	Fresh[2]	Low Quality or Other	Total	Fresh[2]	Low Quality or Other	Total	Fresh[2]	Low Quality or Other	Total	Fresh[2]	Low Quality or Other	Total	Total 2022	Total 2021	Total 2020	% Change 2021-2022
Surface Water[4]	372,360	1,231,440	1,603,800	0	0	0	0	0	0	27,612	0	27,612	0	0	0	1,631,412	1,595,639	365,878	2%
Groundwater	2,855,777	2,855,777	5,711,554	0	0	0	0	0	0	0	407,229	407,229	0	0	0	6,118,783	6,076,675	6,529,623	1%
Seawater	0	0	0	0	0	0	0	2,697,126	2,697,126	0	0	0	0	0	0	2,697,126	2,982,491	2,740,397	-10%
Third-party water[5]	0	2,549,171	2,549,171	0	4,899,818	4,899,818	0	0	0	34,915	323,579	358,494	0	89,510	89,510	7,896,993	7,642,602	9,238,736	3%
Total Water Withdrawal	3,228,137	6,636,388	9,864,525	0	4,899,818	4,899,818	0	2,697,126	2,697,126	62,527	730,808	793,335	0	89,510	89,510	18,344,314	18,297,407	18,874,634	0%
Total Freshwater Withdrawal[6]	3,228,137			0			0			62,527			0			3,290,664	3,776,230	3,400,961	-13%
% of Water Withdrawal that is Freshwater	33%			0%			0%			8%			0%			18%	21%	18%	-14%
Water Intensity (m^3/ tonnes processed)	0.52			0.30			0.12			0.59			Not applicable			0.31	0.26	0.26	19%
Water Intensity (m^3/tonnes produced)	174			97			57			32			Not applicable			102	102	126	0%
Total Water Discharge[7]	0			0			4,062			0			0			4,062	4,264	3,925	-5%

[1] Water withdrawal and water consumed are considered the same. Data is based on flow meters, meteorological stations and water balance modeling.

[2] Freshwater is defined as water containing total dissolved solids equal to or below 1,000 mg/L. Pinto Valley and Cozamin have updated the method of calculating freshwater use. Previously reported data for 2020 and 2021 have been restated.

[3] Low Quality or Other water is defined as water containing total dissolved solids above 1,000 mg/L. Pinto Valley's other groundwater includes water pumped from its open-pit mine.

[4] Surface water includes precipitation.

[5] Pinto Valley third-party water includes water pumped from closed open-pit mines owned by third parties. Cozamin's third-party water is primarily wastewater from a local water treatment plant.

[6] All of our freshwater withdrawals are in regions with High or Extremely High Baseline Water Stress. The World Resources Institute Aqueduct Country Rankings Tool classifies Arizona (Pinto Valley) with High Baseline Water Stress, and Zacatecas (Cozamin), Antofagasta (Mantos Blancos) and Atacama (Mantoverde and Santo Domingo) with Extremely High Baseline Water Stress.

[7] All of Mantoverde's discharged water goes to seawater.

Appendix D: Additional Data and Other Disclosures

Tailings Storage Facility Inventory (million tonnes)

Mine Site	Facility Name	Location	Ownership Status	Operational Status	Construction Method	Maximum Permitted Storage Capacity	Current Amount of Tailings Stored	Consequence Classification	Date of Most Recent Independent Technical Review[1]	Material Findings	Mitigation Measures	Site-specific EPRP
Pinto Valley	PV TSF1	Arizona (Globe-Miami), USA	Owned & operated	Closure	Upstream	75[2]	75	High	2020	No	No	Yes
Pinto Valley	PV TSF2	Arizona (Globe-Miami), USA	Owned & operated	Inactive	Upstream			Extreme	2020	No	No	Yes
Pinto Valley	PV TSF3	Arizona (Globe-Miami), USA	Owned & operated	Active	Upstream	101	84	Extreme	2022	No	No	Yes
Pinto Valley	PV TSF4	Arizona (Globe-Miami), USA	Owned & operated	Active	Upstream	755	408	Extreme	2022	No	No	Yes
Pinto Valley	PV CTI	Arizona (Globe-Miami), USA	Operated[3]	Inactive	Upstream	54	54	High	2022	No	No	Yes
Cozamin	Cozamin TSF	Zacatecas, Mexico	Owned & operated	Active	Upstream	17	~15	Very High	2020	No	No	Yes
Cozamin	Cozamin Chiripa Norte	Zacatecas, Mexico	Owned & operated	Closure	Upstream	~0.50	~0.50	Significant	n/a	No	No	Yes
Cozamin	Cozamin Chiripa Sur	Zacatecas, Mexico	Owned & operated	Closure	Upstream	~0.30	~0.30	Significant	n/a	No	No	Yes
Mantos Blancos	MB Fine TSF – Pit fase 8	Antofagasta Region, Chile	Owned & operated	Active	Downstream	23	9.4	Significant	2019	No	No	Yes
Mantos Blancos	MB Coarse TSF	Antofagasta Region, Chile	Owned & operated	Active	Dry stack	67	41	Significant	n/a	No	No	Yes
Mantos Blancos	MB Cubeta 1	Antofagasta Region, Chile	Owned & operated	Inactive	Centerline	37	37	Significant	n/a	No	No	Yes
Mantos Blancos	MB Cubeta 2	Antofagasta Region, Chile	Owned & operated	Inactive	Centerline	63	63	Significant	n/a	No	No	Yes
Mantoverde	MV TSF	Atacama Region, Chile	Owned & operated	Construction	Centerline	232	N/A	Significant	2022	No	No	Yes

[1] n/a: not applicable. These facilities or projects had not yet been independently reviewed as of December 31, 2022.

[2] Pinto Valley facilities TSF 1 and 2 are beside each other and combined here.

[3] Operated by Pinto Valley on land owned by the US Forest Service.

Appendix D: Additional Data and Other Disclosures

Ambient Air Quality Monitoring, Measuring and Reporting Processes

	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin
Particulate Matter				
Types of Particulate Matter Regulated	PM2.5 PM10	PM2.5 PM10	PM2.5 PM10	PM2.5 PM10
Methods of PM Monitored	Visible emissions observations[1]. Annual stack testing.	One dust monitoring station on site to internally manage potential worker health exposures. One dust monitoring station operated by MB and located at Baquedano town (25 km away from the site). Independent firm sets up mobile stations around site 1x/year for worker health.	One dust monitoring station on site to internally manage potential worker health exposures. Independent firm sets up mobile stations around site 1x/year for worker health.	One dust monitoring station on site for internal management of potential worker health exposures. External lab conducts samples 4x/year for a week at a time.
Measurement or Estimation Methodology for Sustainability Report Data	Annual totals calculated from stack testing data and approved emissions factors[2].	Annual totals calculated from production forecasts and approved emissions factors[2].	Annual totals calculated from production forecasts and approved emissions factors[2].	Annual totals extrapolated from lab samples using emission factors from Mexican regulation[3].
Data Reported to Regulators	Annual emissions inventory.	Results from independent mobile stations reported to labour regulator. Annual declaration of calculated emissions to environmental regulator[4].	Results from independent mobile stations reported to labour regulator. Annual declaration of calculated emissions to environmental regulator[4].	Independent laboratory results reported to SEMARNAT. Annual declaration of calculated emissions to the environmental regulator through COA (Annual Operation Certificate/ Cedula de Operacion Anual).
Other Emissions – Stationary				
Other Regulated Emissions – Stationary Sources	Carbon monoxide (CO) Volatile organic compounds (VOCs) Nitrogen oxides (NOx) Sulphur oxides (SOx)	CO, NOx, SOx	CO, NOx, SOx	CO, CH4, NOx and HCFCs.
Measurement or Estimation Methodology for Sustainability Report Data	Annual totals calculated from stack testing data and approved emissions factors[2].	Quantities calculated from production forecasts and EPA-approved emissions factors[2].	Quantities calculated from production forecasts and EPA-approved emissions factors[2].	Annual totals extrapolated from lab samples Quantities calculated from production and SEMARNAT-approved emissions factors[3].
Data Reported to Regulators	Annual emissions inventory.	Annual declaration of calculated emissions to environmental regulator[4].	Annual declaration of calculated emissions to environmental regulator[4].	Annual declaration of calculated emissions to the environmental regulator – see PM above.
Other Emissions – Mobile				
Other Regulated Emissions – Mobile Sources	Not regulated.	CO, VOC, NOx, SOx, HAP, Hg, Pb.	CO, VOC, NOx, SOx, HAP, Hg, Pb.	Emissions associated with diesel use (Pb, NOx, SOx and CO). Emissions must be reported; no regulated limit on emissions.
Measurement or Estimation Methodology for Sustainability Report Data	Non-regulated emissions excluded from scope.	Annual totals calculated from mobile equipment fuel consumption and approved emission factors[2].	Annual totals calculated from mobile equipment fuel consumption and approved emission factors[2].	Annual totals calculated from mobile equipment fuel consumption and emission factors in regulations[5].
Data Reported to Regulators	n/a	Annual declaration of calculated emissions to environmental regulator[5].	Annual declaration of calculated emissions to environmental regulator[5].	Annual declaration of calculated emissions to the environmental regulator – see PM above.
In Compliance in 2022?	Yes	Yes	Yes	Yes

[1] The Pinto Valley method for visual observations follows EPA Method 9 https://www.epa.gov/emc/method-9-visual-opacity.
[2] Pinto Valley, Mantos Blancos and Mantoverde use the U.S. Environmental Protection Agency's AP-42 estimation method for PM and other air emissions https://www.epa.gov/air-emissions-factors-and-quantification/ap-42-compilation-air-emissions-factors.
[3] Two Mexican regulations apply: NOM-035-SEMARNAT-1993 and NOM-025-SSA1-1993.
[4] Mantos Blancos and Mantoverde declare all regulated emissions annually. Under Chile's transparency law, any stakeholder can access declared results by making a written request through a portal of the Chilean environmental agency.(https://snifa.sma.gob.cl/)
[5] Mexican regulation: Factores de emisión para los diferentes tipos de combustibles fósiles y alternativos que se consumen en México (www.gob.mx)

Appendix D: Additional Data and Other Disclosures

Work-related Injuries and Ill Health

	Totals by Year																				
	2022																				
Injuries	Pinto Valley			Mantos Blancos			Mantoverde			Cozamin			Santo Domingo			Total			2021	2020	%
	Contractor	Employee	Total Workforce	Contractor	Employee	Total Workforce	Contractor	Employee	Total Workforce	Contractor	Employee	Total Workforce	Contractor	Employee	Total Workforce	Contractor	Employee	Total Workforce	Total Workforce	Total Workforce	Change 2021-2022
Medical Aid[1]	1	3	4	0	2	2	0	0	0	0	0	0	0	0	0	1	5	6	6	5	0%
Lost Time Incident[2]	1	2	3	1	1	2	5	2	7	0	1	1	0	0	0	7	6	13	16	6	-19%
High-consequence Work-related Injury	0	1	1	No data	No data	No data	No data	No data	No data	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	–
High-consequence Work-related Injury Rate[3]	0	0.15	0.11	No data	No data	No data	No data	No data	No data	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	–
Fatalities[4]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	-100%
Fatality Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.01	0	-100%
LTIFR[5]	0.47	0.30	0.34	0.09	0.11	0.10	0.14	0.26	0.16	0	0.16	0.07	0	0	0	0.12	0.20	0.15	0.23	0.11	-35%
TRIFR[6]	0.93	0.75	0.79	0.09	0.32	0.19	0.14	0.26	0.16	0	0.16	0.07	0	0	0	0.14	0.36	0.21	0.32	0.20	-33%
Lost-day Rate[7]	0.93	13.91	10.76	6.88	1.59	4.48	5.12	48.35	12.70	0	21.90	9.61	0	0	0	4.47	20.24	9.82	17.92	11.05	-45%
Near Miss[8]	No data	No data	No data	No data	No data	No data	No data	No data	No data	44	105	149	0	0	0	n/a	n/a	n/a	n/a	n/a	–
Near-miss Frequency Rate	No data	No data	No data	No data	No data	No data	No data	No data	No data	5.58	17.04	10.61	0	0	0	n/a	n/a	n/a	n/a	n/a	–
Numbers of Hours Worked (Employee & Contractor)	428,724	1,336,951	1,765,675	2,266,782	1,883,880	4,150,662	7,154,193	1,522,303	8,676,496	1,575,936	1,232,640	2,808,576	343,247	60,732	403,979	11,768,882	6,036,506	17,805,388	14,476,551	11,077,400	23%
Number of Fatalities as a Result of Work-related Ill Health	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	–
Number of Cases of Recordable Work-related Ill Health	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	–

[1] An incident where a worker needed medical assistance off site. These incidents are reported to authorities. This includes Restricted Duty incidents at Pinto Valley where workers are temporarily re-assigned or cannot perform all normal job duties.
[2] An incident that resulted in a worker missing time on the job. These incidents are reported to authorities.
[3] High-consequence Injury is one from which a worker cannot, does not or is not expected to recover fully to pre-injury health status within six months. Rate is calculated by High Consequence Injuries x 200,000 / number of hours worked. Data on this indicator is available for Pinto Valley, Cozamin and Santo Domingo. It is not currently tracked at Mantos Blancos and Mantoverde.
[4] Fatalities are reported to authorities.
[5] Lost Time Injury Frequency Rate is calculated by the number of Lost Time Incidents x 200,000 / number of hours worked.
[6] Total Recordable Injury Frequency Rate is calculated by adding Medical Aid, Fatalities and Lost Time Incidents x 200,000 / numbers of hours worked.
[7] Severity of incident based on days lost from regular duty, calculated by number of lost days x 200,000 / number of hours worked.
[8] Near miss (and near miss frequency rate) data is available for Cozamin and Santo Domingo only; data for this indicator is not available from the other sites. Capstone is in the process of reviewing how this indicator is measured and reported. Data previously reported for Pinto Valley is under review.

Appendix D: Additional Data and Other Disclosures

Employees and Contractors by Site and Gender

	Pinto Valley		Mantos Blancos		Mantoverde		Cozamin		Santo Domingo		Corporate		Totals by Year: Total 2022		Total 2021		Total 2020		% Change 2021-2022	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Full-time Permanent Employees[1]	79	565	48	902	35	739	28	507	5	11	22	27	217	2,751	191	2,521	180	2,215	14%	9%
Part-time and Temporary Employees[2]	0	0	4	26	8	25	0	0	0	0	0	0	12	51	7	40	7	140	71%	28%
Total Employees by Gender	79	565	52	928	43	764	28	507	5	11	22	27	229	2,802	198	2,561	187	2,355	16%	9%
Total Employees by Gender %	12%	88%	5%	95%	5%	95%	5%	95%	31%	69%	45%	55%	8%	92%	7%	93%	7%	93%	5%	0%
Total Employees	644		980		807		535		16		49		3,031		2,759		2,542		10%	
Total Contractors by Gender[3]	6	83	63	514	443	3,582	33	651	4	15	0	0	549	4,845	311	3,116	317	2,885	77%	55%
Total Contractors	89		577		4,025		684		19		0		5,394		3,427		3,202		57%	
Total Workforce by Gender	85	648	115	1,442	486	4,346	61	1,158	9	26	22	27	778	7,647	509	5,677	504	5,240	53%	35%
Total Workforce by Gender (%)	12%	88%	7%	93%	10%	90%	5%	95%	26%	74%	45%	55%	9%	91%	8%	92%	9%	91%	12%	-1%
Total Workforce	733		1,557		4,832		1,219		35		49		8,425		6,186		5,744		36%	
Contractors as a % of Workforce	12%		37%		83%		56%		54%		0%		64%		55%		56%		16%	

[1] Includes full-time salaried and hourly employees (by headcount) who are employees of Capstone Copper or one of its subsidiaries.

[2] Includes part-time permanent and employees with finite employment contracts.

[3] Includes contractors who are regularly on site performing core business functions (e.g., surface and underground mining, blasting, security).

Appendix D: Additional Data and Other Disclosures

Employees by Site, Age Group and Gender

	Pinto Valley		Mantos Blancos		Mantoverde		Cozamin		Santo Domingo		Corporate		Totals by Year: Total 2022		Total 2021		Total 2020		% Change 2021-2022	
Age Group	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Under 30	5	105	16	90	7	53	9	111	0	0	2	0	39	359	32	295	25	243	22%	22%
30-50	47	286	29	630	33	478	18	318	4	6	16	19	147	1,737	128	1,603	124	1,469	15%	8%
Over 50	27	174	7	208	3	233	1	78	1	5	4	8	43	706	38	663	38	643	13%	6%
Totals	**79**	**565**	**52**	**928**	**43**	**764**	**28**	**507**	**5**	**11**	**22**	**27**	**229**	**2802**	**198**	**2561**	**187**	**2355**	16%	9%
	644		**980**		**807**		**535**		**16**		**49**		**3,031**		**2,759**		**2,542**		**10%**	

Appendix D: Additional Data and Other Disclosures

Employee Turnover Rate

							Totals by Year			
Employee Turnover by Site[1]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Corporate	Total 2022	Total 2021	Total 2020	% Change 2021-2022
Employees at Year End[2]	644	980	807	535	16	49	3,031	2,759	2,542	10%
Total Departures[3]	146	131	60	50	16	7	410	411	337	0%
Turnover Rate (%)	23%	13%	7%	9%	100%[4]	14%	14%	15%	13%	-7%
Departures by Gender										
Male Departures	132	122	57	45	13	5	374	371	309	1%
Female Departures	14	9	3	5	3	2	36	40	28	-10%
Departures by Age										
Under 30	41	15	1	20	1	0	78	56	40	39%
30-50	74	88	43	26	12	4	247	238	205	4%
Over 50	31	28	16	4	3	3	85	117	92	-27%

[1] Annual turnover rate is calculated by total number of departures in each gender or age group divided by the total number of individuals in each gender or age group at year end.
[2] Includes full-time salaried and hourly employees (by headcount) that are employees of Capstone Copper (corporate) or one of its subsidiaries.
[3] Includes voluntary and involuntary departures between January 1 and December 31, 2022.
[4] Santo Domingo experienced high turnover rate due to a reduction in project activity.

Appendix D: Additional Data and Other Disclosures

Employee New Hire Rate

Employee New Hire Rate[1]	Pinto Valley	Mantos Blancos	Mantoverde	Cozamin	Santo Domingo	Corporate	Totals by Year: Total 2022	Total 2021	Total 2020	% Change 2021-2022
Employees at Year End[2]	644	980	807	535	16	49	3,031	2,759	2,542	10%
Total New Hires	190	149	213	95	1	15	663	842	917	-21%
New Hire Rate (%)	30%	15%	26%	18%	6%	31%	22%	31%	36%	-28%
New Hires by Gender										
Male	173	134	193	85	1	11	597	777	860	-23%
Female	17	15	20	10	0	4	66	65	57	2%
New Hires by Age										
Under 30	72	42	33	47	0	1	195	187	188	4%
30-50	94	97	151	43	0	13	398	531	604	-25%
Over 50	24	10	29	5	1	1	70	124	125	-44%

[1] Annual new hire rate calculated by total number of new hires in each gender or age group/total number of individuals in each gender or age group at year end.
[2] Includes full-time salaried and hourly employees (by headcount) who are employees of Capstone Copper (corporate) or one of its subsidiaries.

Appendix D: Additional Data and Other Disclosures

Community Priorities for Support

Priority	Pinto Valley	Cozamin	Mantos Blancos	Mantoverde	Santo Domingo
Communities We Interact with	Globe-Miami, Superior, Kearny, Gila County	Zacatecas City, Hacienda Nueva, Ruiz Gonzales, and Diaz Ordaz neighbourhoods	Baquedano	El Salado, Flamenco, Las Piscinas, Chañaral	Diego de Almagro, Obispito
Social Development	Globe-Miami United Fund supporting 21 charities in the region	Neighbour helping neighbour house repair program	ImpactaDos program and projects with social organizations	Productive development with fishers' unions (see Story)	
Culture and Recreation	Events and activities	Activities to celebrate cultural events and holidays	End-of-year dinner in Baquedano	Activities to celebrate national holidays (e.g., Christmas), summer events	
Infrastructure	Swimming pool, maintaining forest service roads that traverse the site to maintain community recreational access	Support to repair schools		Pedro Lujan school of El Salado, Hospital of Chañaral	
Emergency Services	Mine rescue team supports, emergency management services as needed	Coordination with civil agency for forest fire protection		Project with Fire department Summer Police station, Flamenco	
Education	STEM events, summer work programs	Scholarships and support for schools; youth trades training and mine employment program	EUREKA Effect academic program DELTA-UCN Talent program and scholarships, Antofagasta region	FORCOM (Formación Complementaria) Federico Varela High School Training activities for communities	

Appendix D: Additional Data and Other Disclosures

Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas

		Mineral Reserves										Contained Metal						
	Category	kt	TCu	SCu	ICu	Zn	Pb	Mo	Ag	Au	Fe	Cu	Zn	Pb	Mo	Ag	Au	Fe
			%	%	%	%	%	%	g/t	g/t	%	kt	kt	kt	kt	koz	koz	Mt
Pinto Valley, Dec. 31, 2022[1]																		
	Proven	226,353	0.34	–	–	–	–	0.007	–	–	–	764	–	–	15	–	–	–
	Probable	121,109	0.29	–	–	–	–	0.006	–	–	–	347	–	–	7	–	–	–
	Total	**347,462**	**0.32**	**–**	**–**	**–**	**–**	**0.006**	**–**	**–**	**–**	**1,111**	**–**	**–**	**23**	**–**	**–**	**–**
In or Near Conservation Area		347,462	0.32	–	–	–	–	0.006	–	–	–	1,111	–	–	23	–	–	–
Mantos Blancos, Dec. 31, 2022[2]																		
Sulphides + Mixed (Flotation)	**Proven**	64,952	0.76	0.09	0.66	–	–	–	6.2	–	–	494	–	–	–	12,884	–	–
	Probable	50,730	0.54	0.08	0.46	–	–	–	4.3	–	–	274	–	–	–	7,077	–	–
	Total	**115,682**	**0.66**	**0.09**	**0.58**	–	–	–	**5.4**	–	–	**768**	–	–	–	**19,961**	–	–
Oxides + Mixed (Dump Leach)	**Proven**	2,224	–	0.34	–	–	–	–	–	–	–	8	–	–	–	–	–	–
	Probable	2,422	–	0.24	–	–	–	–	–	–	–	6	–	–	–	–	–	–
	Total	**4,646**	**–**	**0.29**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13**	**–**	**–**	**–**	**–**	**–**	**–**
Mantoverde, Dec. 31, 2022[3]																		
Sulphides + Mixed (Flotation)	**Proven**	172,210	0.62	–	–	–	–	–	–	0.11	–	1,067	–	–	–	–	609	–
	Probable	64,066	0.51	–	–	–	–	–	–	0.11	–	327	–	–	–	–	227	–
	Total	**236,276**	**0.59**	–	–	–	–	–	–	**0.11**	**–**	**1,394**	–	–	–	–	**836**	–
Oxides (Dump + Heap Leach)	**Proven**	161,973	–	0.23	–	–	–	–	–	–	–	374	–	–	–	–	–	–
	Probable	59,142	–	0.20	–	–	–	–	–	–	–	118	–	–	–	–	–	–
	Total	**221,115**	–	**0.22**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**492**	**–**	**–**	**–**	**–**	**–**	**–**
Cozamin, Jan. 1, 2023[4]																		
	Proven	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Probable	10,210	1.65	–	–	0.54	0.29	–	43.4	–	–	168	55	29	–	14,258	–	–
	Total	**10,210**	**1.65**	**–**	**–**	**0.54**	**0.29**	**–**	**43.4**	**–**	**–**	**168**	**55**	**29**	**–**	**14,258**	**–**	**–**
In or Near Area of Conflict		10,210	1.65	–	–	0.54	0.29	–	43.4	–	–	168	55	29	–	14,258	–	–

Appendix D: Additional Data and Other Disclosures

Consolidated Estimated Mineral Reserves in Areas of Conflict or Conservation Areas (continued from the previous page)

		Mineral Reserves										Contained Metal						
	Category	kt	TCu	SCu	ICu	Zn	Pb	Mo	Ag	Au	Fe	Cu	Zn	Pb	Mo	Ag	Au	Fe
			%	%	%	%	%	%	g/t	g/t	%	kt	kt	kt	kt	koz	koz	Mt
Santo Domingo, Feb. 13, 2020[5]																		
	Proven	65,390	0.61	–	–	–	–	–	–	0.08	30.9	398	–	–	–	–	170	8
	Probable	326,936	0.24	–	–	–	–	–	–	0.03	27.6	768	–	–	–	–	337	67
	Total	**392,326**	**0.30**	–	–	–	–	–	–	**0.04**	**28.2**	1,167	–	–	–	–	**507**	**75**
Total Reserves		1,327,718										**5,114**	**55**	**29**	**23**	**34,219**	**1,343**	**75**
Total Reserves (tonnes) in or Near Conservation Areas																		
Proven		**17%**										**15%**	**0%**	**0%**	**68%**	**0%**	**0%**	**0%**
Probable		**9%**										**7%**	**0%**	**0%**	**32%**	**0%**	**0%**	**0%**
Total Reserves (tonnes) in or Near Areas of Conflict																		
Proven		**0%**										**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Probable		**1%**										**3%**	**100%**	**100%**	**0%**	**42%**	**0%**	**0%**

NOTES: Mineral Reserves take into account mining activities as stated, where applicable. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content. Grade TCu% refers to total copper grade in percent sent to the mill for metallurgical recovery by flotation. Grade SCu% refers to soluble copper grade in percent sent to the leaching processes. Grade ICu% refers to insoluble copper grade in percent, based on TCu% minus SCu%. All Mineral Reserve estimates take into account dilution and mining recovery factors. Contained ounces (oz) are troy ounces. COG is cut-off grade. NSR is net smelter return. All amounts in US$ unless otherwise specified. Stockpiled material is included in the Mineral Reserves, described below. See Technical Reports filed under Capstone Copper's profile on SEDAR for further information.

[1] Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, is the Qualified Person responsible for the Pinto Valley Mineral Reserve estimate effective December 31, 2022. Economic inputs to the block model were $3.00/lb per pound copper, $10.00/lb molybdenum, 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 Ops Support costs, $4.67/tonne milling costs, and pit slopes by rock type. The Mineral Reserve is reported 0.19% copper. Stockpiled material is included as Proven Mineral Reserve. Pinto Valley Mine is an open-pit mine with mineral processing by flotation.

[2] Carlos Guzman, RM CMC, FAusIMM, an employee of NCL, is the independent Qualified Person responsible for the Mineral Reserve in the Mantos Blancos Mine Technical Report effective November 29, 2021. Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, oversaw depletion of the Mineral Reserve for mining activities as at December 31, 2022. The Mineral Reserve is based on average off-site costs (selling cost) of US$0.27/lb for sulphides and US$0.42/lb for oxides. Mineral Reserves are contained within an optimized pit shell. The estimated Mineral Reserves are reported using metal prices of US$2.90/lb Cu and US$17/oz Ag. Mining will use conventional open pit methods and equipment and a stockpiling strategy (direct mining costs are estimated at the base bench at 900 masl, averaging US$1.60/t of material mined). Processing costs average US$9.98/t of milled material, including concentrator, tailings storage facility and port costs. Processing cost for material sent to dump leach is US$1.47/t. TCu recovery averages 83.1% for sulphides and silver recoveries average 79.5%. SCu recovery averages 42% for material sent to the dump leach. Inter-ramp angles vary from 36° to 59°. The life-of-mine strip ratio is 4 to 1. Through the Osisko silver production agreement, Osisko Gold 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. Stockpiled material is included in the Probable Mineral Reserve.

[3] Carlos Guzman, RM CMC, FAusIMM, an employee of NCL, is the independent Qualified Person responsible for the Mineral Reserve in the Mantoverde Mine and Mantoverde Development Project Technical Report effective November 29, 2021. Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, oversaw depletion of the Mineral Reserve for mining activities as at December 31, 2022. Mineral Reserves are reported on a 100% basis using average off-site costs (selling cost) of US$0.28/lb for sulphides and US$0.30 for oxides and metal price assumptions (in US$) of Cu = $3.00/lb and Au = $1,100/oz. Mineral Reserves are contained within an optimized pit shell. Mining will use conventional open pit methods and equipment and use a stockpiling strategy (direct mining costs are estimated by geological unit, averaging US$1.85/t of material mined). Processing costs were estimated by geometallurgical units (from UG1 to UG10) averaging US$7.28/t of milled material, including concentrator, tailings storage facility, port and desalination costs. Processing cost for material sent to the heap leach was US$6.28/t. For material sent to the run-of-mine dump leach, the processing cost was US$2.12/t. Total copper recoveries average 88.4% for sulphides and gold recoveries average 71.2%. Soluble copper recoveries average 75.0% for material sent to the heap leach and 42.5% for material sent to the dump leach process. Inter-ramp angles vary from 26° to 60°. The life-of-mine strip ratio is 2.12 to 1.

[4] Clay Craig, P.Eng., Director, Mining & Strategic Planning at Capstone Copper, is the Qualified Person for the Cozamin Mine Mineral Reserve effective January 1, 2023. The Mineral Reserve is reported within fully diluted mineable stope shapes generated by the Deswik Mineable Shape Optimiser software. Mining methods include long-hole stoping and cut-and-fill methods. The Mineral Reserve is reported at or above a blended cut-off of US$60.54/t NSR for long-hole stoping and US$65.55/t NSR for cut-and-fill mining. The NSR cut-off is based on operational mining and milling costs plus general and administrative costs. The NSR formulae vary by zone. Three separate NSR formulae are used based on zone mineralization and metallurgical recoveries. Copper-silver dominant zones use the NSR formula: (Cu*66.638 + Ag*0.484)*(1-NSRRoyalty%). MNFWZ zinc-silver zones use the NSR formula: (Ag*0.290 + Zn*13.723 + Pb*13.131)*(1-NSRRoyalty%). MNV zincsilver dominant zones use the NSR formula: (Ag*0.228 + Zn*12.121 + Pb*11.363)*(1-NSRRoyalty%). Metal price assumptions of Cu = US$3.55/lb, Ag = US$20.00/oz, Pb = US$0.90/lb, Zn = US$1.15/lb and metal recoveries of 96% Cu, 86% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 61% Ag, 93% Pb and 88% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 56% Ag, 80% Pb and 77% Zn in MNV zinc-silver dominant zones. The formulae include consideration of confidential current smelter contract terms, transportation costs and 1–3% net smelter return royalty payments. Royalties are dependent on the mining concession, and are treated as costs in the Mineral Reserve estimates. Totals may not sum due to rounding.

[5] Carlos Guzman, RM CMC, FAusIMM, an employee of NCL, is the independent Qualified Person for the Santo Domingo Mineral Reserve effective November 14, 2018. 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 US$3.00/lb Cu, US$1,280/oz Au and US$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 US$80/dmt, U$0.08/lb of copper refining charges, US$5.0/oz of gold refining charges, US$33/wmt and US$20/dmt for shipping copper and iron concentrates respectively; waste mining cost of $1.75/t, mining cost of US$1.75/t ore and process and G&A costs of US$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. 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 thousand tonnes and contained iron as metric million tonnes. No formal production has occurred from the Santo Domingo property area. Santo Domingo Project Mineral Reserves shown on 100% basis (Capstone's share is 100% as of March 25, 2021).