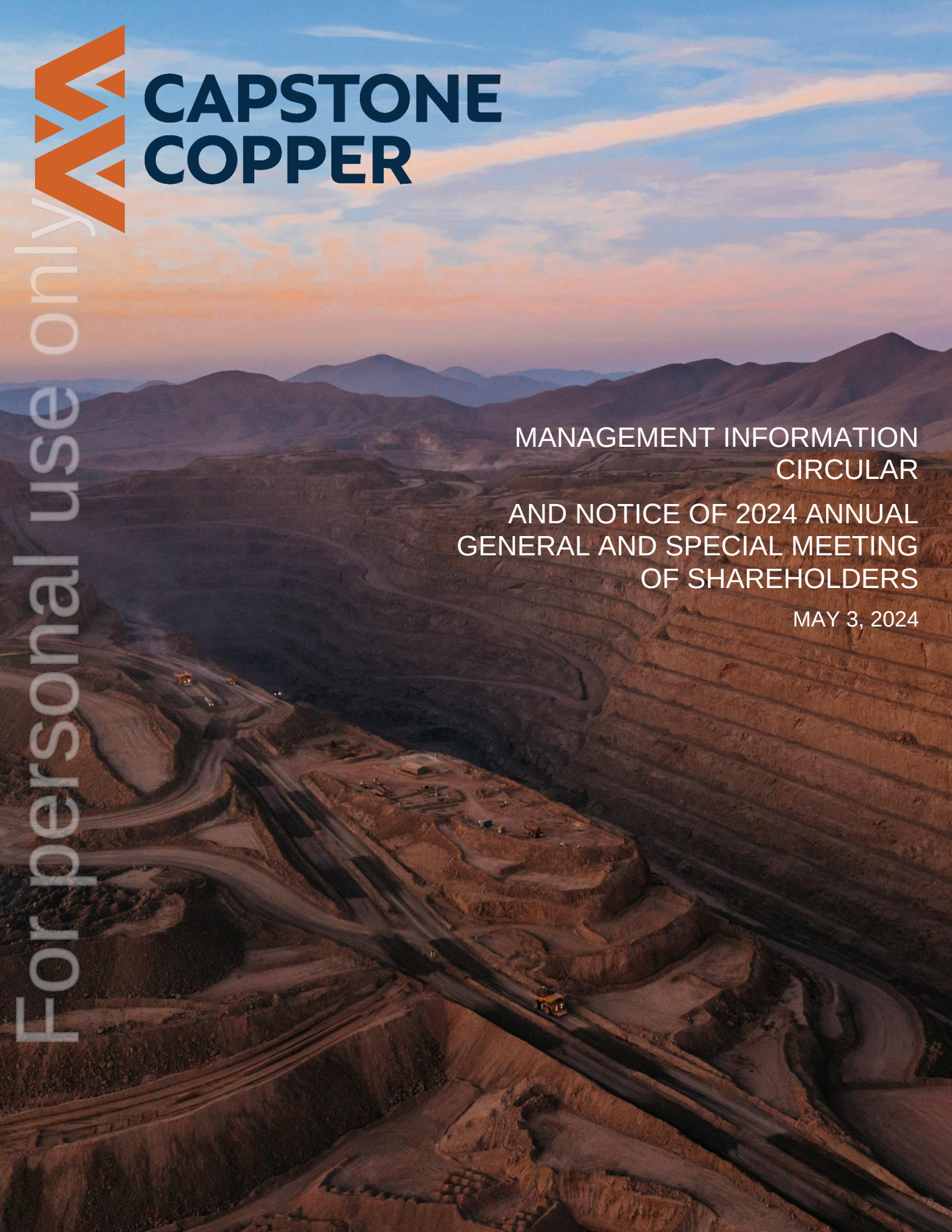
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MANAGEMENT INFORMATION CIRCULAR

AND NOTICE OF 2024 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

MAY 3, 2024



LETTER TO SHAREHOLDERS



Darren Pylot
Board Chair



Peter Meredith
Lead Director

March 4, 2024

Dear Fellow Capstone Copper Corp. Shareholders,

On behalf of Capstone Copper Corp.'s ("**Capstone**" or the "**Company**") Board of Directors (the "**Board**" or the "**Directors**") and employees, we are pleased to enclose the Notice of our Annual General and Special Meeting (the "**Meeting**") to be held at **11:00 am (Pacific Time) on Friday, May 3, 2024,** at the offices of Capstone, 510 West Georgia Street, Suite 2100, Vancouver, British Columbia.

This Management Information Circular outlines the business to be conducted at the Meeting and provides information on the director nominees, corporate governance practices, and Capstone's executive compensation program. In addition to the election of directors and appointment of auditors, we will be asking our shareholders to consider and approve all unallocated entitlements under Capstone's Treasury Share Unit Plan, and, on an advisory basis, Capstone's approach to executive compensation.

The Board is proud of what Capstone has achieved in 2023, notably the establishment of the Sustainable Development Strategy and the adoption of greenhouse gas emissions reduction targets, commissioning activities at Mantoverde Development Project in Chile, issuance of Capstone's inaugural sustainability report for the combined company, and the recognition of the Copper Mark for both Mantoverde and Mantos Blancos operations.

We encourage you to please take the time to read through our Management Information Circular in advance of the Meeting. Your vote is important in electing directors and conducting the other business brought before the Meeting.

On behalf of the Board and Management, we thank you for your continued support and confidence in Capstone.

Sincerely,

"Darren Pylot"
Board Chair

"Peter Meredith"
Lead Director

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EXECUTIVE SUMMARY

Capstone's 2023 Results

Corporate

- Achieved 2023 production guidance[1], with consolidated 2023 copper production of 164,353 tonnes at C1 cash costs of $2.88 per payable pound of copper.
- Generated Adjusted EBITDA of $260.3 million and Operating Cash Flow Before changes in working capital of $204.8 million.
- On March 31, 2023, closed a C$328 million secondary bought deal offering of common shares of Capstone ("**Common Shares**") by Capstone's largest shareholder, Orion Fund JV Limited, Orion Mine Finance Fund II LP and Orion Mine Finance (Master) Fund I-A LP (collectively "**Orion**").
- Hired James Whittaker as Senior Vice President, Head of Chile, in August 2023. Mr. Whittaker brings over 25+ years of experience, most recently with BHP Chile as President of the Escondida copper mine.
- Capstone's Mantos Blancos and Mantoverde mines were awarded The Copper Mark in September 2023. The Copper Mark is an assurance framework to promote responsible production practices and demonstrate the industry's commitment to the United Nations Sustainability Development Goals.
- Subsequent to year-end, the Company announced that it commenced trading on the Australian Securities Exchange under ticker symbol "CSC" (ASX: CSC) on February 2, 2024.
- Subsequent to year-end, the Company closed a C$431 million bought deal offering of shares, comprised of a C$356 million primary offering (56.5 million Common Shares) and a C$75 million secondary offering by Orion. Following the transaction, Orion holds approximately 20.3% of the issued and outstanding Common Shares of Capstone on a non-diluted basis.

Pinto Valley

- Invested in infrastructure upgrades aimed at increasing water reclaim, tailings and environmental projects.
- Advanced a district growth study, which evaluates the consolidation potential of the Pinto Valley district. Opportunities under evaluation include a potential mill expansion and increased leaching capacity supported by optimized water, heap and dump leach, and tailings infrastructure. This could unlock significant Environmental, Social and Governance ("**ESG**") opportunities and may transform our approach to create value for all stakeholders in the Globe-Miami District.

Cozamin

- Released a new technical report in March 2023. The technical report included a new cut and fill mining method, which aims to increase mineralized recovery in some areas of the orebody and increase the opportunity to convert mineral resources to reserves.
- Ramped up the dry stack and paste backfill plant during the first half of 2023. This new approach involves filtering tailings to extract more water, which can be reused.
- Continued exploration activities to test the Mala Noche Main Vein West Target with underground drilling from the west crosscut ramp.

Mantoverde

- Completed construction of all the elements required to commence commissioning at the Mantoverde Development Project ("**MVDP**"). Commissioning activities are underway, and the Company is focused on a safe, efficient, and phased project commissioning and ramp-up. As at December 31, 2023, cash capital spent at MVDP totaled $809 million versus the project capital estimate of $870 million.
- MVDP is expected to enable the mine to process 231 million tonnes of copper sulphide reserves at a rate of 32,000 tonnes of ore per day over a 20-year expected mine life, in addition to existing oxide reserves.
- Advanced the Mantoverde Optimized feasibility study, which is evaluating increasing throughput at MVDP to approximately 45,000 tonnes of ore per day with no major capital equipment upgrades. The feasibility study is expected in the 2024.
- Hired Oscar Flores as new Mine General Manager, starting January 2024. Mr. Flores brings +25 years of mining experience, including past general management positions with Kinross, AMSA, Anglo American, and Codelco in Chile, as well as with New Gold in Mexico, Australia, and Canada.

1 Production guidance as most recently disclosed in the Company's MD&A for the three and nine months ended September 30, 2023.

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Mantos Blancos

- Advanced the Mantos Blancos Phase II study, which is evaluating the potential to increase throughput of the sulphide concentrator from 20 thousand tonnes per day to at least 27 thousand tonnes per day.
- Hired Jaime Rivera as new Mine General Manager in October 2023. Mr. Rivera brings +16 years of progressive experience at large mining operations in Chile, and previously held the position of General Manager at BHP's Escondida mine and Codelco's Ministro Hales and Andina mines.

Santo Domingo

- Advanced a feasibility study with contributions from third parties that is expected to be delivered in the first half of 2024. The Company is optimizing the process configuration and updating the Technical Report to take into consideration recently produced metallurgical testwork data, an updated mine plan with a lower strip ratio, and a modernized milling and flotation circuit with a lower overall footprint and operating cost compared with the previous design.

Board of Directors ("Board") Nominees

Capstone encourages you to submit your vote for the following nominees online or by proxy:

	INDEPENDENT							
PLANNED COMMITTEE MEMBERSHIPS	Alison Baker	Gordon Bell	Robert Gallagher	Anne Giardini	Peter Meredith	Patricia Palacios	John MacKenzie[2]	Darren Pylot[3]
Audit Committee	C	✓		✓	✓			
Governance, Nominating & Sustainability Committee			✓	C		✓		
Human Resources & Compensation Committee	✓		✓		C			
Technical & Operational Performance Committee		✓	C			✓		
ADDITIONAL INFORMATION								
Age	53	66	73	64	80	57	55	56
Gender	F	M	M	F	M	F	M	M
Racial/Ethnic Diversity						✖		
Director Since	2022	-	2016	2021	2019	2023	2022	2003
Other Public Company Boards	3	Nil	1	2	1	Nil	1	1

C = Chair of the Committee ✓ = Member of the Committee M = Male F=Female

2 Mr. MacKenzie is considered to be a non-independent director as he currently serves as Chief Executive Officer of Capstone.
3 Mr. Pylot is considered to be a non-independent director as he formerly served as Chief Executive Officer of Capstone Mining Corp. until March 23, 2022 and served as Executive Director between March 23, 2022 and May 3, 2023.

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NOTICE OF 2024 ANNUAL GENERAL & SPECIAL MEETING OF CAPSTONE COPPER CORP.

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the "**Meeting**") of the shareholders of Capstone Copper Corp. ("**Capstone**") will be held:



Time and Date
Friday, May 3, 2024, 11:00 a.m.
(Pacific Time)



Place
510 West Georgia Street
Suite 2100, Vancouver, British Columbia



Record Date
March 4, 2024

At the Meeting, shareholders will be asked to:

Item	For more details, please see:
1. Receive the audited consolidated financial statements of Capstone for the year ended December 31, 2023 and the auditors' report thereon;	
2. Determine the number of directors at eight;	
3. Elect directors for the ensuing year;	Page 11
4. Appoint Deloitte LLP, Chartered Professional Accountants ("**Deloitte**"), as Capstone's auditors for the ensuing year and authorize the directors to set the auditors' remuneration;	Page 1
5. Consider a non-binding advisory resolution on Capstone's approach to executive compensation;	Page 2
6. Approve all unallocated entitlements under Capstone's Treasury Share Unit Plan (as defined below), as amended from time to time in accordance with its terms until May 3, 2027;	Page 2
7. Transact any other business that may properly come before the Meeting.	

The Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

The Company will use notice and access procedures adopted by the Canadian Securities Administrators to deliver this Notice of Meeting and the Management Information Circular. Shareholders will receive a form of proxy or voting instruction form and the notice and access notification with instructions on how to access the Management Information Circular electronically. The Management Information Circular will be available on the Company's website at *www.capstonecopper.com* for one full year and will also be filed under the Company's profile on SEDAR+ at *www.sedarplus.ca*. Shareholders who wish to receive more information about notice and access or to receive paper copies of the Management Information Circular or other proxy-related materials, including the annual financial statements for the financial year ended December 31, 2023 and the accompanying management's discussion and analysis, may contact 1-866-684-8894.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

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If you were a shareholder of Capstone on March 4, 2024, you are entitled to vote at the Meeting. If you are unable to attend the Meeting in person, you are encouraged to read, complete, date, sign, and return the enclosed Form of Proxy ("**Proxy**") or Voting Instruction Form ("**VIF**") in the manner specified on the form, no later than **11:00 a.m. (Pacific Time) on May 1, 2024[4].**

BY ORDER OF THE BOARD

"*Wendy King*"

Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary
March 4, 2024

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4 For CDI (as defined below) holders, no later than 11:00 a.m. (Australian Eastern Time) on April 30, 2024

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BUSINESS OF THE MEETING

I. Receive Financial Statements

The annual audited consolidated financial statements and Management's Discussion & Analysis ("**MD&A**") of Capstone for the year ended December 31, 2023, together with the auditor's report on those statements (together, the "**Financial Statements**"), will be placed before the shareholders at the Meeting. The Financial Statements will be available upon request from Capstone or they can be found on SEDAR+ at *www.sedarplus.ca* or on Capstone's website at *www.capstonecopper.com.*

II. Elect the Number of Directors

At the Meeting, Capstone will ask shareholders to vote for the number of directors to be set at eight.

Management recommends you vote **for** the number of directors to be set at eight

III. Election of Directors

At the Meeting, Capstone will ask shareholders to vote for the election of the eight nominees proposed by Capstone to serve as directors until the next annual general meeting or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of Capstone or with the provisions of the *Business Corporations Act* (British Columbia).

In the opinion of Management, the proposed nominees are well qualified to direct the Company's activities for the ensuing year and have confirmed their willingness to serve as Directors. You can find information about the nominated directors beginning on page 11 and our majority voting policy on page 20.

Management recommends you vote **for** each nominated director

IV. Appoint Auditors

At the Meeting, Capstone will ask shareholders to vote on appointing the independent auditors and to authorize the Directors to fix their remuneration. The Audit Committee and Board assessed the performance and independence of Deloitte and recommends that Deloitte be re-appointed as the independent auditors until the next annual meeting.

The table below lists the services Deloitte provides and the fees we paid to them for the fiscal years ended December 31, 2023, and 2022.

		2023	2022
Audit Services	This amount includes the fees billed for the audit of the annual consolidated financial statements and for the interim review of the interim condensed consolidated financial statements.	$1,527,000	$1,839,000
Audit-related Services	This amount relates to the audit work on the Commissioner's reports for the Mexican entities and the shelf prospectus during Q1 2023. These fees were pre-approved by the Audit Committee.	$204,000	$9,000
Tax services outside of the audit scope	The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. All fees for tax compliance, tax advice and tax planning were pre-approved by the Audit Committee.	$179,000	$178,000
Other non-audit services	The aggregate fees billed that are not "Audit Fees", "Audit-Related Fees" or "Tax Fees".	Nil	$120,000

Management recommends you vote **for** Deloitte as our independent auditors

V. Say on Pay

The Board values and encourages constructive dialogue on compensation and other important governance topics with the shareholders of Capstone.

The purpose of Say on Pay is to provide appropriate accountability to the shareholders of Capstone for the Board's compensation decisions by giving shareholders a formal opportunity to provide their views on Capstone's disclosed objectives, program design and philosophy that is used to make executive compensation decisions.

Management recommends you vote **for** our approach to executive compensation

VI. Approve all unallocated entitlements under Treasury Share Unit Plan, as amended from time to time in accordance with its terms until May 3, 2027;

The Company is seeking Shareholder approval of all unallocated entitlements under the Treasury Share Unit Plan, as such Shareholder approval is required every three years under the rules of the TSX.

The Treasury Share Unit Plan is an evergreen plan whereby the number of Common Shares issuable under the Treasury Share Unit Plan is based on a 10% rolling reserve of Capstone's total number of issued and outstanding shares. The Treasury Share Unit Plan was originally approved on April 28, 2021, by the shareholders of Capstone Mining Corp.

As of December 31, 2023, the Company had 876,550 Treasury Restricted Share Units ("**TRSUs**") and 1,853,278 Treasury Performance Share Units ("**TPSUs**") authorized and outstanding, which, if all were exercised for or settled by the delivery of Common Shares, would represent 0.4% of the issued and outstanding Common Shares of the Company.

A summary of the Treasury Share Unit Plan is included in the CD&A (as defined below) at page 60 and a full copy of the Treasury Share Unit Plan text can be found under Schedule "A" and filed on SEDAR+ at *www.sedarplus.ca*.

Management recommends you vote **for** the approval of all unallocated entitlements

The following table sets out information with respect to the unallocated share awards under the Treasury Share Unit Plan as at December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of rights (a)	Weighted average exercise price of outstanding rights (b)	Number of securities remaining available for future issuance under the Treasury Share Unit Plan (excluding securities reflected in column (a)) (c)
Treasury RSUs	876,550 0.1%	$5.63	2,201,588 0.3%
Treasury PSUs	1,853,278 0.3%	$5.54	

Pursuant to the terms of the Treasury Share Unit Plan, the Company has the discretion to settle awards made under the Treasury Share Unit Plan by delivery of Common Shares issued from treasury, Common Shares purchased in the open market, in cash, or in any combination of the foregoing.

The board of Capstone Mining Corp. adopted the Treasury Share Unit Plan in 2021 for the benefit of the Company's executives, employees and consultants. The Board adopted the Treasury Share Unit Plan in 2022 following the arrangement agreement between Capstone Mining Corp. and Mantos Copper.

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At the Meeting, Capstone will ask shareholders to approve all unallocated entitlements under the Treasury Share Unit Plan in accordance with its terms until May 3, 2027. If shareholders do not approve the resolution, all allocated entitlements that have been granted but not yet exercised, will continue unaffected.

"BE IT RESOLVED THAT:

1. All unallocated entitlements under the Treasury Share Unit Plan, be and are hereby approved in accordance with the Treasury Share Unit Plan's terms;
2. Capstone shall have the ability to continue granting TRSUs and TPSUs under the Treasury Share Unit Plan until May 3, 2027, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. Any one director or officer of Capstone be and is hereby authorized and directed to do all such further acts and things and to execute such further agreements and other documents for and on behalf of Capstone as such director or officer may consider necessary, desirable or useful having regard to this resolution."

VII. Other Business

If other items of business are properly brought before the Meeting, you or your Proxyholder (as defined below) can vote on such items. Capstone is not aware of any other items of business to be considered at the Meeting.

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GENERAL PROXY INFORMATION

Date of Information

All information in this Management Information Circular is as of March 4, 2024, unless otherwise noted.

Currency

All currency amounts in this Management Information Circular are expressed in **Canadian dollars**, unless otherwise indicated. References to "US$" are to United States dollars.

Abbreviations

Capstone uses abbreviations for certain committee names:

Committee	Abbreviations
Audit	AC Committee AC
Governance, Nominating & Sustainability	GNS Committee GNS
Human Resource & Compensation	HR&C Committee HRC
Technical & Operational Performance	TOP Committee TOP

Mantos Transaction

On March 23, 2022, Capstone Mining Corp. ("**Capstone Mining**") and Mantos Copper (Bermuda) Limited ("**Mantos**") completed a court-approved plan of arrangement pursuant to which Mantos was continued from Bermuda into British Columbia, acquired all of the issued and outstanding Common Shares of Capstone Mining., and changed its name to Capstone Copper Corp. (the "**Mantos Transaction**").

Voting Securities and Principal Holders of Voting Securities

Capstone's authorized capital consists of an unlimited number of Common Shares without par value. As at March 4, 2024, Capstone had 752,989,215 Common Shares issued and outstanding, fully paid and non-assessable Common Shares, each share carrying the right to one vote. Capstone has no other classes of voting securities and does not have any classes of restricted securities.

To the knowledge of the Directors and executive officers of Capstone, the persons who, or companies which, beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of Capstone are:

Shareholder	Number and Percentage of Shares
Hadrian Capital Partners Inc.	100,712,661 13.38%
Orion*	152,936,179 20.30%

*Includes securities held in the names of Orion.

Pursuant to the Registration and Nomination Rights Agreement between Capstone and Orion dated March 23, 2022, provided Orion maintains certain levels of ownership of the Common Shares, Orion has the right to nominate up to two individuals to sit on the Board. Orion currently has the right to nominate two individuals to sit on the Board.

Notice and Access

Capstone will deliver this Notice of Meeting and Management Information Circular, a Proxy and related documents (collectively, the "**Meeting Materials**") to shareholders by posting the Meeting Materials on its website at *www.capstonecopper.com*. The Meeting Materials are expected to be available on Capstone's website and on SEDAR+ at *www.sedarplus.ca* on March 25, 2024, and will remain on Capstone's website for one full year thereafter.

Capstone will make available paper copies of the Meeting Materials for those registered and beneficial shareholders who have previously elected to receive paper copies of Capstone's meeting materials. All other shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies by contacting the Corporate Secretary at:

866-684-8894

corporatesecretary@capstonecopper.com

The Company will not use procedures known as "stratification" in relation to the use of Notice and Access, meaning that both Registered Shareholders (as defined below) and Non-Registered Shareholders (as defined below) will be mailed a notice package in connection with the Meeting (the "**Notice Package**"). If the Company or its agent has sent the Notice Package directly to a Non-Registered Shareholder, such Non-Registered Shareholder's name and address and information about its holdings of securities have

been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the securities on such Non-Registered Shareholder's behalf.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain information about them to the Company are referred to as "NOBOs", whereas Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about them to the Company are referred to as "OBOs". In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the Notice Package indirectly to the NOBOs and to the OBOs through their Intermediaries, the cost of which will be borne by the Company.

Shareholders who wish to receive more information about Notice-and-Access or to receive paper copies of the Management Information Circular or other proxy-related materials, including the annual financial statements for the financial year ended December 31, 2023, and the accompanying management's discussion and analysis, may contact 1-866-684-8894. Requested materials will be sent to the requesting shareholders at no cost to them within 3 business days of their request if such requests are made before the Meeting or any postponement or adjournment thereof.

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VOTING INFORMATION

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies being made by the Management of Capstone for use at the Meeting of Capstone's shareholders to be held on Friday, May 3, 2024, at the time and place and for the purposes set forth in the Notice on page v.

It is expected that solicitations of proxies will be made primarily through the use of the notice and access procedures detailed above under the heading "Notice and Access", however, proxies may also be solicited by telephone or other personal contact by directors, officers and employees of the Company without special compensation. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxies from their principals. The costs of solicitation will be borne by the Company.

Only a Shareholder whose name appears on the certificate(s) representing its shares (a "**Registered Shareholder**") or its duly appointed proxy nominee is permitted to vote at the Meeting. A Shareholder is a non-registered shareholder (a "**Non-Registered Shareholder**") if its shares are registered in the name of an intermediary, such as an investment dealer, brokerage firm, bank, trust company, trustee, custodian, administrators of self-administered RRSPs, RRIFs, RESPs and similar plans or other nominee, or a clearing agency in which the Intermediary participates. Accordingly, most shareholders of the Company are "Non-Registered Shareholders" because the shares they own are not registered in their names but are instead registered in the name of the Intermediary through which they purchased the shares. More particularly, a person is a Non-Registered Shareholder in respect of shares which are held on behalf of that person, but which are registered either: (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the shares; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common Shares so held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares held for Non-Registered Shareholders.

Record Date

The record date for the Meeting is March 4, 2024 (the "**Record Date**").

Who Can Vote

Any shareholder of record at the close of business on March 4, 2024 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified below, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

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How to Vote

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	Registered Shareholders	Non-Registered or Beneficial Shareholders	CHESS Depositary Interests Holders
What type of Shareholder are you?	Your shares are held in your name and you are registered as a shareholder in Capstone's shareholder registry maintained by Capstone's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"). A Proxy is included with your Meeting Materials.	Your shares are not registered in your name but are instead registered in the name of the brokerage firm, bank, trust company, or other intermediary. There are two kinds of Beneficial Shareholders: I. those who object to their names being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners); and II. those who do not object to the issuers of the securities which they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). **OBOs**: A Voting Instruction Form ("**VIF**") is included with your Meeting Materials from your broker, bank, trust company, or intermediary **NOBOs**: A VIF is included with your Meeting Materials from Computershare	You are recorded as the holder of CHESS Depositary Interests ("**CDIs**") and CHESS Depositary Nominees PTY Ltd. ("**CDN**") is the shareholder of record for all the shares beneficially owned by CDIs. A CDI voting instruction form (the "**CDI Voting Instruction Form**") is included with your Meeting Materials from Computershare Investor Services Pty Limited ("**Computershare AUS**"), the CDI registry in Australia. Each person who holds CDIs is unable to vote at the Meeting. Each person who holds CDIs is entitled to receive the Meeting Materials, attend the Meeting and instruct CDN to vote at the Meeting by using the CDI Voting Instruction Form.
Attending in Person	Attend the Meeting, register with a representative of Computershare upon arrival and vote your shares. **Only registered shareholders or duly appointed proxyholders for an absent shareholder ("Proxyholders") will be recognized to make motions or vote at the Meeting.**	Insert your name in the blank space provided on the VIF. Sign and return in accordance with the instructions provided well in advance of the Meeting. Attend the Meeting and register with a representative of Computershare upon arrival.	**CDI holders may attend the Meeting but will not be able to vote at the Meeting** and therefore are urged to complete and submit their CDI Voting Instruction Form as described below. Attend the Meeting and register with a representative of Computershare upon arrival.

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	Registered Shareholders	Non-Registered or Beneficial Shareholders	CHESS Depositary Interests Holders
Not Attending in Person	Return your completed, dated and signed Proxy in one of the following ways: • Fax to 1-866-249-7775 (or 1-416-263-9524 if outside of North America) • Mail to Computershare Investor Services Inc., Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 • Use a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Follow the instructions of the voice response system and refer to the Proxy for your control number • Log on to *www.investorvote.com* and follow the instructions given on the website and refer to the Proxy for your control number	Complete and return your voting instructions in accordance with the VIF provided.	Complete and return your CDI Voting Instruction Form to Computershare AUS by no later than **11:00 a.m. (Australian Eastern Time) on April 30, 2024** (4:00 p.m. (Pacific Time) on April 29, 2024), in one of the following ways: • Fax to 1-800-783-447 (within Australia) • Mail to Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia • Log on to *www.investorvote.com.au* and follow the instructions given on the website The CDI voting deadline is one business day prior to the date the Proxies are due so that CDN may vote the shares underlying the applicable CDIs.
Revocation of Proxy	You can revoke your Proxy by: • Completing and returning a new Proxy before the Proxy Deadline bearing a later date • Sending a notice in writing to Capstone's Registered Office at 2100-510 West Georgia Street, Vancouver, BC, V6B0M3, Canada • Depositing a notice in writing to the Chair of the Meeting on the day of the Meeting • Sending a notice in writing to Computershare at 8th Floor – 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada or Fax to 1-866-249-7775 (or 1-416-263-9524 if outside of North America)	In sufficient time in advance of the Meeting, contact your respective intermediaries to change your vote and if necessary, revoke your voting instructions previously submitted.	You may revoke the directions in your CDI Voting Instruction Form by delivering to Computershare AUS a written notice of revocation bearing a later date than the CDI Voting Instruction Form previously sent by no later than **11:00 a.m. (Australian Eastern Time) on April 30, 2024** (4:00 p.m. (Pacific Time) on April 29, 2024).

Appointment of Proxyholders

You can appoint someone to attend and act on your behalf at the Meeting other than the persons named in the Proxy as proxyholders. If you don't appoint a proxyholder, Darren Pylot (Board Chair), Peter Meredith (Lead Director) John MacKenzie (CEO), Cashel Meagher (COO) and Raman Randhawa (CFO), will be your proxyholder.

Indicate the manner in which your proxyholder is to vote with respect to any matter by marking "X" in the appropriate space.

The Proxy must be dated and signed by you, or your attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

If you wish to confer a discretionary authority with respect to any matter, then the space should be left blank. In such instance, the proxyholder, if nominated by Management, intends to vote the shares represented by the Proxy in favour of the motion.

If there are other items brought before the meeting, your proxyholder will decide how to vote. At the time of printing the Meeting Materials, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

Proxies must be deposited at the office of Computershare, no later than 11:00a.m. PT on Monday, May 1, 2024.

Deadline for the deposit of Proxies may be waived by the Chair of the Meeting at his sole discretion without notice.

Failure to properly complete or deposit a Proxy may result in its invalidation.

Quorum

The quorum for the transaction of business at a meeting of shareholders is two individuals present at the commencement of the Meeting holding or representing by proxy the holder or holders of shares carrying not less than one-quarter of the votes eligible to be cast at the Meeting.

Approvals

To approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a "special resolution" in which case a majority of 66⅔% of the votes cast will be required.

Completion and Voting of Proxies

Voting at the Meeting will be by a show of hands, with each registered shareholder and each Proxyholder (representing a registered or Beneficial Shareholder) having one vote, unless a poll is required or requested, whereupon each such shareholder and Proxyholder is entitled to one vote for each common share held or represented, respectively.

Exercise of Discretion

On any poll that may be called for, the shares represented by a properly executed Proxy given in favor of the person(s) designated in the Proxy will be voted or withheld from voting in accordance with the instructions given on the Proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

Where no choice has been specified by the shareholder, such shares will be voted:

- ☑ FOR the number of directors to be set at eight
- ☑ FOR the election of directors
- ☑ FOR the appointment of auditors
- ☑ FOR the approval of the Non-Binding Advisory Vote on Executive Compensation
- ☑ FOR the approval of the unallocated entitlements under the Treasury Share Unit Plan

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Voting Results

We will issue a news release with the voting results shortly after the Meeting and will also file voting results on SEDAR+ at *www.sedarplus.ca*.

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Capstone Board of Directors Nominees 2024

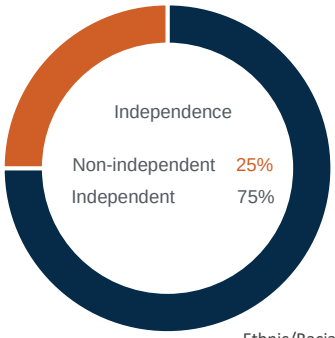
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ELECTION OF DIRECTORS

This year eight directors are proposed for election to our board.

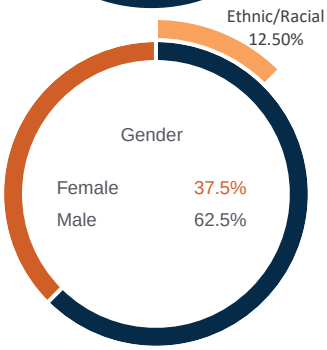
Independence

Six of our eight director nominees are independent. John MacKenzie, Capstone's Chief Executive Officer and Darren Pylot, Capstone's Chair and former Chief Executive Officer of Capstone Mining Corp. until March 23, 2022 are considered to have a material relationship with Capstone and are deemed to be non-independent.



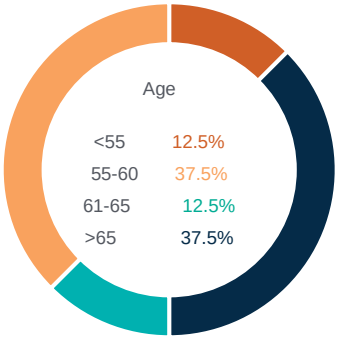
Diversity

If all nominees proposed for election at the Meeting are elected, the Company will exceed its target for gender diversity at 37.5% female directors. Additionally, we recognize the importance of ethnic and racial diversity and will have one director who contributes to this aspect of diversity. You can read more about our policies on board diversity on page 23.



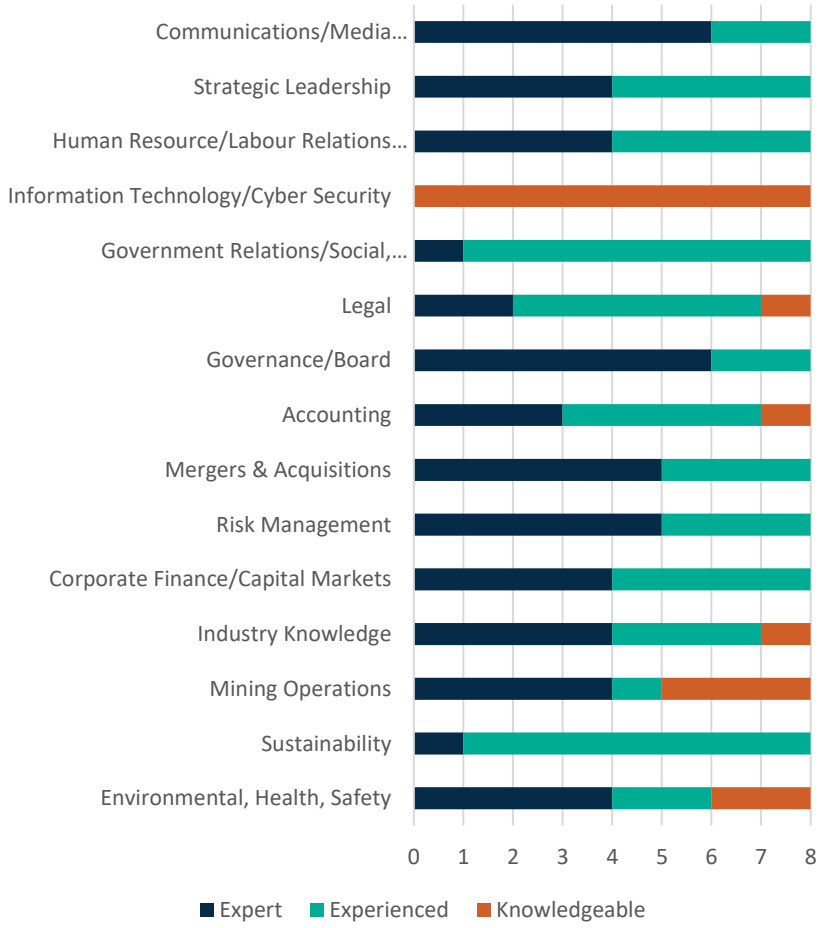
Commitment

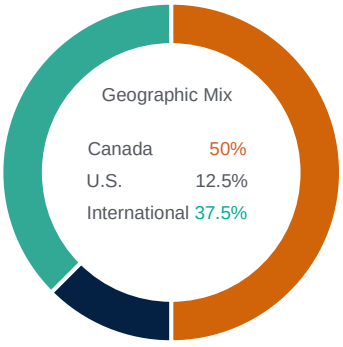
Directors are expected to devote enough time and energy to effectively carry out their duties on the Board. Total average attendance at meetings in 2023 of the independent directors was 100%. For further detail about attendance, please refer to page 23.

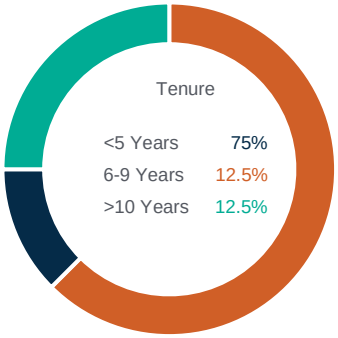


Skills

Our GNS Committee and our Board have determined that each of the eight nominees possesses the necessary skills and qualifications to collectively comprise a highly effective board. For further detail, please refer to the Board's skills matrix on page 27.









Alison Baker, Chair of the Audit Committee
Winchester, England

Age: 53
Independent

Director Since: March 23, 2022

Principal Occupation: Corporate Director

Qualifications, Skills, Experience and Expertise:

- Chartered Accountant (ICAEW)
- Finance, investment and M&A experience
- B.Sc. in Mathematical Sciences

Career Highlights

- Former Partner at PricewaterhouseCoopers LLC leading the UK and EMEA Oil & Gas Practice
- Former Partner at Ernst & Young LLP leading the Utilities and Mining Assurance Practice
- Former Chair of the Audit Committee Chairs' Independent Forum (ACCIF)

Other Current Public Boards

- Endeavor Mining plc (TSX, LSE)
- Helios Towers plc (LSE)
- Rockhopper Exploration (LSE)

Other Public Boards in the past five years

- KAZ Minerals plc (LSE)
- Centamin plc (TSX)

The Board of Directors has determined that Ms. Baker's accounting and financial experience combined with her experience in the utilities and mining assurance practice qualify her to serve as a director and as Chair of the Audit Committee.

Capstone Board/Committee Memberships

	2023 Attendance	
Board	11 of 11	100%
Audit Committee[5]	5 of 5	100%
HR&C Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
36,803	Nil	54,633	✓

5 Ms. Baker currently serves as Chair of the Audit Committee.

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Gordon Bell, Director
Sutton, Ontario, Canada

Age: 66
Independent

Director Since: January 8, 2024[6]

Principal Occupation: Corporate Director

Qualifications, Skills, Experience and Expertise:

- 40+ years experience in the mining industry
- Operations, Capital Markets, M&A experience
- B.Sc. in Mining Engineering from Queens University in Kingston, Ontario
- MBA from Washington University in St. Louis, Missouri

Career Highlights

- Former Vice Chairman, Mining and Metals Group of RBC Capital Markets
- Global Head, RBC's Mining & Metals Group
- Vice President & Chief Financial Officer, Golden Star Resources Ltd.

Other Current Public Boards

- N/A

Other Public Boards in the past five years

- N/A

The Board of Directors has determined that Mr. Bell's extensive financial, operations and capital markets experience qualify him to serve as a director.

Capstone Board/Committee Memberships

	2023 Attendance	
N/A	N/A	N/A

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
9,651	20,000	13,966	✓

6 Mr. Bell was appointed to the Board effective January 8, 2024 pursuant to section 14.5 of the Articles of the Company, whereby the Board may fill casual vacancies on the Board, of which one existed after the retirement of Mr. Brack.

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Robert Gallagher, Chair of the TOP Committee
Deerfield Beach, FL, USA

Age: 73
Independent

Director Since: March 23, 2022[7]

Principal Occupation: Corporate Director/Consultant

Qualifications, Skills, Experience and Expertise:

- 40+ year career in the mining industry
- Core business, operations and management
- B.A.Sc. from the University of British Columbia

Career Highlights

- Former President & CEO of New Gold Inc.
- Former President and CEO of Peak Gold (prior to the merger of Peak Gold, Metallica Resources and New Gold)
- Fifteen years with Placer Dome Inc.
- Seven years with Newmont Mining Corporation, overseeing the completion of development and operation of the Batu Hijau Mine, the billion-ton, world-class copper-gold mine located in Indonesia

Other Current Public Boards

- Southern Arc Minerals Inc. (NEX)

Other Public Boards in the past five years

- Capstone Mining Corp. (TSX)
- Japan Gold Corp. (TSXV)
- Yamana Gold Inc. (TSX)
- New Gold Inc. (TSX)

The Board of Directors has determined that Mr. Gallagher's extensive experience with the development and operation of large-scale mining projects combined with his executive management experience qualify him to serve as a director and as Chair of the TOP Committee.

Capstone Board/Committee Memberships

	2023 Attendance	
Board	11 of 11	100%
GNS Committee	7 of 7	100%
TOP Committee[8]	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
122,516	10,248	536,723	✓

7 Mr. Gallagher was a director of Capstone Mining Corp. since November, 2016 prior to the Mantos Transaction.
8 Mr. Gallagher currently serves as Chair of the TOP Committee.

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Anne Giardini, KC, Chair of the GNS Committee
Rome, Italy

Age: 64
Independent

Director Since: March 23, 2022[9]

Principal Occupation: Corporate Director/Consultant

Qualifications, Skills, Experience and Expertise:

- 30+ years as a lawyer, senior executive, director and senior advisor
- Broad public and government relations experience
- L.L.M from Trinity Hall, University of Cambridge
- L.L.B from the University of British Columbia
- B.A. (Economics) from Simon Fraser University

Career Highlights

- 20+ year career with Weyerhaeuser, including as General Counsel and subsequently President of Weyerhaeuser's Canadian subsidiary
- Former Chair of Greater Vancouver Board of Trade
- Made an Officer of the Order of Canada in 2016 and admitted to the Order of British Columbia in 2018

Other Current Public Boards

- K92 Mining Inc. (TSX)
- Stella-Jones Inc. (TSX)

Other Public Boards in the past five years

- Capstone Mining Corp. (TSX)
- Nevsun Resources Ltd. (TSX)
- Thompson Creek Metals Company Inc. (TSX, NYSE)

The Board of Directors has determined that Ms. Giardini's 30+ years as a lawyer and executive, expertise in natural resource development, corporate governance, compensation and pension oversight, safety and risk management qualify her to serve as a director and as Chair of the GNS Committee.

Capstone Board/Committee Memberships

	2023 Attendance	
Board	11 of 11	100%
Audit Committee	5 of 5	100%
GNS Committee[10]	7 of 7	100%
TOP Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
40,519	Nil	58,322	✓

9 Ms. Giardini was a director of Capstone Mining Corp. since April 28, 2021 prior to the Mantos Transaction.
10 Ms. Giardini currently serves as Chair of the GNS Committee.

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John MacKenzie, Director and Chief Executive Officer
Toronto, Ontario, Canada

Age: 55
Non-Independent

Director Since: March 23, 2022[11]

Principal Occupation: Chief Executive Officer of Capstone Copper Corp.

Qualifications, Skills, Experience and Expertise:

- 30+ years career in the mining industry
- Executive management, operational and investment experience
- M.Sc. in Mining Engineering from the University of Witwatersrand
- Master of Business Leadership from the University of South Africa

Career Highlights

- Former Executive Chairman and founder of Mantos Copper (Bermuda) Limited
- Former CEO of Audley Capital
- Former CEO Copper at Anglo American
- Former CEO Zinc at Anglo Base Metals

Other Current Public Boards

- Horizonte Minerals Plc (TSX, AIM)

Other Public Boards in the past five years

- KAZ Minerals plc (LSE)

The Board of Directors has determined that Mr. MacKenzie's extensive experience in the mining industry and his position as CEO qualify him to serve as a director.

Capstone Board/Committee Memberships

	2023 Attendance[12]	
Board	11 of 11	100%

Securities Held as of the Record Date

Options	Common Shares	PSUs	RSUs	Meets Shareholding Requirements
523,815	15,049,040	519,720	259,861	✓

11 Mr. MacKenzie was a director of Mantos Copper (Bermuda) Limited since September 10, 2015 prior to the Mantos Transaction.
12 Mr. MacKenzie attended 100% of all the meetings of the four committees in his capacity as an ex officio

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Peter Meredith, Lead Director
Vancouver, British Columbia, Canada

Age: 80
Independent

Director Since: March 23, 2022[13]

Principal Occupation: Corporate Director

Qualifications, Skills, Experience and Expertise:

- Chartered Professional Accountant (CPA, CA)
- Finance, investment and M&A experience
- Risk management expertise

Career Highlights

- Former Deputy Chairman of Turquoise Hill Resources Ltd.
- Former Chairman of Great Canadian Gaming Corporation where he oversaw its sale for approximately C$3.3 billion
- Former Partner with Deloitte LLP, Chartered Professional Accountants

Other Current Public Boards

- Ivanhoe Mines Ltd. (TSX)

Other Public Boards in the past five years

- Great Canadian Gaming Corporation (TSX)
- Capstone Mining Corp. (TSX)
- Cordoba Minerals Corp. (TSXV)
- Peregrine Diamonds Ltd. (TSX)

The Board of Directors has determined that Mr. Meredith's accounting and financial experience combined with his extensive knowledge of the mining industry qualify him to serve as a director and a member of the Audit Committee.

Capstone Board/Committee Memberships

	2023 Attendance	
Board	11 of 11	100%
Audit Committee	5 of 5	100%
HR&C Committee[14]	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
50,122	183,618	327,914	✓

13 Mr. Meredith was a director of Capstone Mining Corp. since April 25, 2019 prior to the Mantos Transaction.
14 Mr. Meredith currently serves as the Chair of the HR&C Committee.

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Patricia Palacios, Director
Concepción, Chile

Age: 57
Independent Director

Principal Occupation: Corporate Director

Qualifications, Skills, Experience and Expertise:

- 30+ years as a lawyer and senior executive
- Sustainability experience
- Broad public and government relations and permitting experience
- MEd in Human Resources and Organizational development from the University of Louisville, KY
- B.A. Legal and Social Sciences from the University of Concepción, Chile

Career Highlights

- Former General Manager at HIF SpA
- Former General Manager at Innergy S.A
- Former General Manager at Gasoducto del Pacifico Chile
- Former Chief Legal Counsel at Gasoducto del Pacifico Argentina
- Former Counselor of the Regional Energy Development Council in Bio Bio Region, Chile

Other Current Public Boards

- Corporación Universidad de Concepción

The Board of Directors has determined that Ms. Palacios' extensive legal and executive career and experience with regulated industries in Chile qualify her to serve as a director.

Capstone Board/Committee Memberships

	2023 Attendance	
TOP Committee	6 of 6	100%
GNS Committee	7 of 7	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
17,307	Nil	25,834	N/A

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Darren Pylot, Board Chair
Vancouver, British Columbia, Canada

Age: 56
Non-Independent[15]

Director Since: March 23, 2022[16]

Principal Occupation: Corporate Director

Qualifications, Skills, Experience and Expertise:

- 25+ years executive management experience in the natural resource sector
- Successful innovator and entrepreneur
- Human Resource Management and labour relations experience
- M&A experience

Career Highlights

- Former President and Chief Executive Officer of Capstone Mining Corp.
- Founder and Former Vice Chair of Capstone which he grew from an exploration company into a leading copper producer, developer and exploration company
- Former President and Chief Executive Officer of Silverstone Resources Corp.

Other Current Public Boards

- Zena Mining Corp. (TSXV)

Other Public Boards in the past five years

- Capstone Mining Corp. (TSX)

The Board of Directors has determined that Mr. Pylot's extensive experience in the mining industry and as former President and CEO of Capstone Mining Corp. qualify him to serve as a director. After the Meeting, Mr. Pylot will be appointed as Non-Executive Chair of the Board.

Capstone Board/Committee Memberships

	2023 Attendance[17]	
Board	11 of 11	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	PSUs	RSUs	Meets Shareholding Requirements
391,442	3,551,656	44,425	584,559	164,075	✓

15 Mr. Pylot is considered to be a non-independent director as he served as Chief Executive Officer of Capstone Mining Corp. until March 23, 2022.
16 Mr. Pylot was a director of Capstone Mining Corp. since October 23, 2003 prior to the Mantos Transaction.
17 Mr. Pylot attended 100% of all the meetings of the four committees in his capacity as an ex officio

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Advance Notice

In accordance with Capstone's Advance Notice Policy, as adopted by the Board on March 23, 2022, shareholders who wish to nominate a candidate for election as director must provide timely notice in proper written form by personal delivery, facsimile or email to the Corporate Secretary of Capstone. **The notice must be made not less than 35 days prior to the date of the Meeting.** As a result, any shareholder wishing to nominate a candidate for election as director must provide notice to Capstone by **March 29, 2024**. A copy of our Advance Notice Policy is attached as Schedule "B" to this Management Information Circular.

Notice may only be given:



by mail:

2100-510 West Georgia Street
Vancouver, BC, V6B 0M3



by fax:

604-688-2180



by email:

corporatesecretary@capstonecopper.com

Majority Voting for Directors

Capstone has a majority voting policy for the election of directors. Any nominee in an uncontested election who receives a greater number of votes "*withheld*" than votes "*for*" shall be considered not to have received the support of shareholders. Such nominee is expected to tender his or her resignation to the Chair of the Board promptly following the applicable shareholders' meeting. The Board expects that resignations will be accepted unless extenuating circumstances warrant the refusal of the director's resignation. The Board will make its final decision and announce it in a news release within 90 days following the Meeting and provide a copy of the news release with the Board's decision to the TSX. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or the GNS Committee at which such resignation is considered.

Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to any resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of Management's knowledge, except as disclosed immediately below, no proposed director is, or has been within the last ten years, a director or executive officer of any company that, while that person was acting in that capacity:

a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except:

Mr. Peter Meredith served as a director of Ivanhoe Energy Inc. ("**Ivanhoe Energy**") from December 2007 to December 2014. On February 20, 2015, Ivanhoe Energy filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the Bankruptcy and Insolvency Act (Canada). Cease trade orders were issued against Ivanhoe Energy in Alberta (July 15, 2015), Quebec (May 7, 2015), Manitoba (May 6, 2015), Ontario (May 4, 2015) and British Columbia (April 14, 2015) in respect of the company failing to file its audited financial statements and annual management's discussion and analysis, annual information form and certification of annual filings for the year ended December 31, 2014. The foregoing cease trade orders remain in effect. On June 2, 2015, having failed to file a proposal, Ivanhoe Energy was assigned into bankruptcy. Ivanhoe Energy dissolved on May 16, 2017.

To the best of Management's knowledge, no proposed director has, within the ten years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the best of Management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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GOVERNANCE OF CAPSTONE

Capstone and the Board believe in the importance of good corporate governance and the central role played by Directors in the governance process. We strongly believe that good corporate governance practices are essential for an effectively managed company which in turn enhances shareholder value.

Corporate Governance Highlights

Board Structure and Independence

- ✓ Three female directors on the Board (37.5% female directors)
- ✓ One racially/ethnically diverse director on the Board
- ✓ The Board has an independent Lead Director, and the chairs and members of each of the committees are independent
- ✓ In camera sessions held at the end of each Board meeting and committee meeting without management present
- ✓ There are no directors who are overboarded

Shareholder Rights

- ✓ All Directors are elected annually
- ✓ Majority Voting Policy for all Directors (in uncontested elections)
- ✓ Shareholders representing at least 5% of outstanding shares are able to call special meetings

Board Oversight

- ✓ The Board has oversight of the corporate strategy and annual operating plan
- ✓ The Board has oversight of Enterprise Risk Management ("**ERM**")
- ✓ The Board has oversight over **ESG** matters
- ✓ The Board has oversight over the reporting under the Fighting Against Forced Labour and Child Labour in Supply Chains Act
- ✓ The Board monitors Capstone's Code of Conduct (as defined below), workplace culture and values
- ✓ Annual off-site Board meeting focused on strategy
- ✓ The Board has oversight of cybersecurity matters, and our whistleblower reporting and global insurance programs
- ✓ The Board has oversight of executive compensation and succession planning

Corporate Governance Practices

- ✓ Prohibits Directors and Management from hedging
- ✓ Annual Board and committee performance assessments
- ✓ Clawback Policy for Management
- ✓ Significant share ownership requirements for Directors and Management
- ✓ Comprehensive director orientation and continuing education programs
- ✓ Responsive, active and ongoing shareholder engagement

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Capstone's corporate governance practices comply with all applicable securities regulatory requirements, and we continue to monitor developments in best practices to ensure we have strong governance practices. The Board believes that 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.

The mandate of the Board, whether carried out directly or through its four Board committees, is to oversee the management of the business and affairs of Capstone. This includes or without limitation, developing and updating Capstone's vision and values, approving strategic goals and objectives, reviewing operations, disclosure and communication policies, overseeing the financial reporting and other internal controls, overseeing Capstone's Sustainable Development strategy, ESG risks, performance and disclosures, overseeing Capstone's ERM system including Capstone's cyber security and global insurance programs, corporate governance standards, director orientation and education, executive compensation and succession planning oversight, and director nomination, compensation and assessment processes. The Board adjusts the frequency of Board and committee meetings when Capstone faces new opportunities or risks requiring oversight. Management regularly informs the Board of the operations of Capstone through reports and discussions with Management during and between Board and committee meetings.

Governance Guideline

The Board has adopted a Corporate Governance Guideline that complies with the listing standards of the TSX. The Corporate Governance Guideline provides a framework of corporate governance, including outlining the Board's duties, goals and responsibilities, the organization and composition of the Board, and the conduct of the Board. A copy of our Corporate Governance Guideline is available on our website at *www.capstonecopper.com*.

Members of our Board and Committees of the Board

The Board discharges some of its mandate through four committees of the Board. The members of the Board and the committees on which they serve as of the Record Date are identified below:

	INDEPENDENT							
	Alison Baker	Patricia Palacios	Gordon Bell	Robert Gallagher	Anne Giardini	Peter Meredith	John MacKenzie[18]	Darren Pylot[19]
Audit Committee	C		M		M	M		
Governance, Nominating & Sustainability Committee		M		M	C			
Human Resource & Compensation Committee	M			M		C		
Technical & Operational Performance Committee		M	M	C				

C = Chair of Committee M = Member of Committee

Based on an assessment of the skills required for each committee, the GNS Committee nominates independent directors[20] as Chair and members of each committee of the Board as outlined in the Board and individual committee terms of references. The Board has the authority to appoint *ad hoc* committees as needed.

Meetings of the Board and Committees of the Board

The Board has eight regularly scheduled meetings per year with provisions for additional meetings as required. At any time, the Board may convene a special meeting with notice. The committees typically meet between four to five times per year depending upon the nature of the committee. All Directors are expected to attend Board meetings and committee meetings in person, by video conference or by telephone conference call unless they recuse themselves from such meetings. All Directors have a standing invitation to attend committee meetings as guests. In practice, Directors attend meetings of other committees on a regular basis. The Chair and the CEO attend portions of committee meetings *ex officio* with a portion of each meeting held *in camera* (independent Directors only).

18 Mr. MacKenzie serves as Chief Executive Officer of Capstone.
19 Mr. Pylot currently serves as Chair of the Board of Directors and was formerly Chief Executive Officer of Capstone Mining Corp.
20 All nominated members of the committees of the Board qualify as independent directors pursuant to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees.*

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Attendance of Directors at Board and Committee Meetings

In 2023, the Board held a total of eleven meetings and each committee of the Board held at least four meetings. The chart on the right shows the attendance record for all Board and committee meetings in 2023.



In Camera Sessions

The Board's policy is to hold *in camera* sessions at the end of each Board meeting at which non-independent Directors and members of Management do not attend. In addition, each committee holds an *in-camera* session at the end of each committee meeting. Additional *in camera* sessions are held as required.

Directorships

In addition to their positions on the Board, the following Directors or nominees for director also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Alison Baker	Endeavor Mining plc, Helios Towers plc and Rockhopper Exploration plc
Gordon Bell	nil.
Robert Gallagher	Southern Arc Minerals Inc.
Anne Giardini	K92 Mining Inc. and Stella-Jones Inc.
John MacKenzie	Horizonte Minerals plc
Peter Meredith	Ivanhoe Mines Ltd.
Patricia Palacios	nil.
Darren Pylot	Zena Mining Corp.

Directors Serving Together

The Board's approach to director interlocking board relationships is aligned with Canadian Coalition of Good Governance principles limiting the number of directors sitting together on another public company board to two directors. The Board considers director interlocks when considering new candidates and approving requests to join additional boards. Currently, no Directors of Capstone serve together on interlocking boards.

Board and Committee Terms of Reference

The Board has developed written terms of references for the Board and each committee of the Board. These terms of references are reviewed annually by the respective committees and the Board. The Board's and each committee's terms of references are available on Capstone's website at *www.capstonecopper.com* and a copy of the Board's terms of reference is attached as Schedule "C" to this Management Information Circular.

Position Descriptions

The Board has developed and approved written position descriptions for each of the Board Chair, Lead Director, the Chair of each committee of the Board, and the CEO. A copy of these position descriptions is available on Capstone's website at *www.capstonecopper.com.* The position descriptions are reviewed by the GNS Committee and the Board annually.

Director Tenure

The Board has chosen not to implement mandatory retirement or term limits for Directors. The Board believes that limits on a director's term is not in the best interest of Capstone. Limits on tenure discount the value of experience and continuity of board members and risks excluding potentially valuable members of the Board as a result of an arbitrary determination. The Board has a rigorous process to review Directors and Board effectiveness, including a skills gap analysis and a diversity policy which all assist in Board renewal and ensuring the strong performance and independence of Directors.

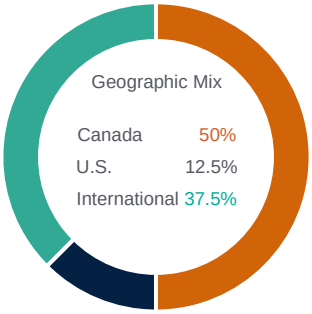
Diversity

Capstone is dedicated to promoting diversity within its Board. Our Diversity and Inclusion Policy (the "**Diversity Policy**") recognizes and embraces the benefits of having diversity on the Board and in Capstone's Management, including but not limited to gender diversity. Capstone's "Our Values and Ethics – Code of Conduct" (the "**Code of Conduct**" or "**Code**") also supports diversity within Capstone.

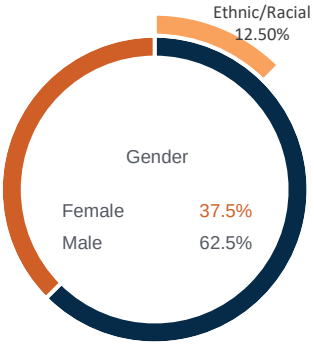
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With respect to the Board, the objective of the Diversity Policy is to ensure that diversity is taken into account when reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, a merit-based competitive process is also maintained where the GNS Committee also considers the following:

- The competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- The competencies and skills that the Board considers each existing director to possess; and
- The competencies and skills each new nominee will bring to the boardroom.



When considering candidates, a short-list identifying potential candidates shall include at least one female candidate for each available board seat and if at the end of the selection process, no female candidates are selected, the Board must be satisfied that there are objective reasons to support this determination.



On an annual basis, the GNS Committee assesses the effectiveness of Capstone's performance in meeting the objectives outlined in the Diversity Policy by a review of our progress in increasing diversity amongst Management and on the Board.

In 2023, we achieved our target of 30% female representation on the Board. While we have set a clear target for female representation, we have not yet established specific targets for racial or ethnic diversity. However, we have enhanced ethnic and racial diversity with the appointment of Patricia Palacios, our first Latin-American director.

The Diversity Policy may be accessed on Capstone's website at *www.capstonecopper.com*.

Director Orientation and Education Process

The Board has adopted a written Director's Orientation and Education Process which sets out the education support provided to the Board. The Director's Orientation and Education Process also provides the onboarding process for new Directors that includes a comprehensive electronic board manual, site visits, and an in-depth seminar covering an introduction to mining (as needed), and an education session with the members of Management and external legal, compensation and audit service providers to familiarize the new director with Capstone's business and operations, including but not limited to:

- corporate and financial strategy;
- ESG/Sustainable Development Strategy;
- risk, governance, legal and regulatory compliance programs;
- operations overview;
- marketing strategy;
- industry education, as needed;
- investor presentation;
- exploration strategy; and
- an orientation to the Board and committees.

EACH ORIENTATION PROGRAM IS TAILORED TO THE INDIVIDUAL NEEDS AND AREAS OF EXPERTISE OF THE NEW DIRECTOR.

Board members are provided with:

- a digital board manual which provides information such as position descriptions for the Chair of the Board and the committee Chairs, the terms of reference for the Board and all committees, copies of Capstone's corporate governance policies, governance related articles, materials relating to the operations of Capstone and other industry related materials;
- access to recent, publicly filed documents of Capstone, technical reports and Capstone's internal financial information;
- access to recent Board and committee meeting materials;
- access to Management, technical experts and consultants; and
- a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with Management, auditors, technical consultants and compensation consultants; to keep themselves current with industry trends and developments and changes in legislation with Management's assistance; and to attend related industry and governance seminars and visit Capstone's operations. Board members have full access to Capstone's records.

The Board believes that continuing education is important for Directors to keep informed on changes in governance best practices and legal regulatory requirements and to better understand the issues facing Capstone. As such, the Board encourages all Directors to participate in continuing education. In addition, the Directors receive regular educational presentations and updates from Management on matters of emerging significance.

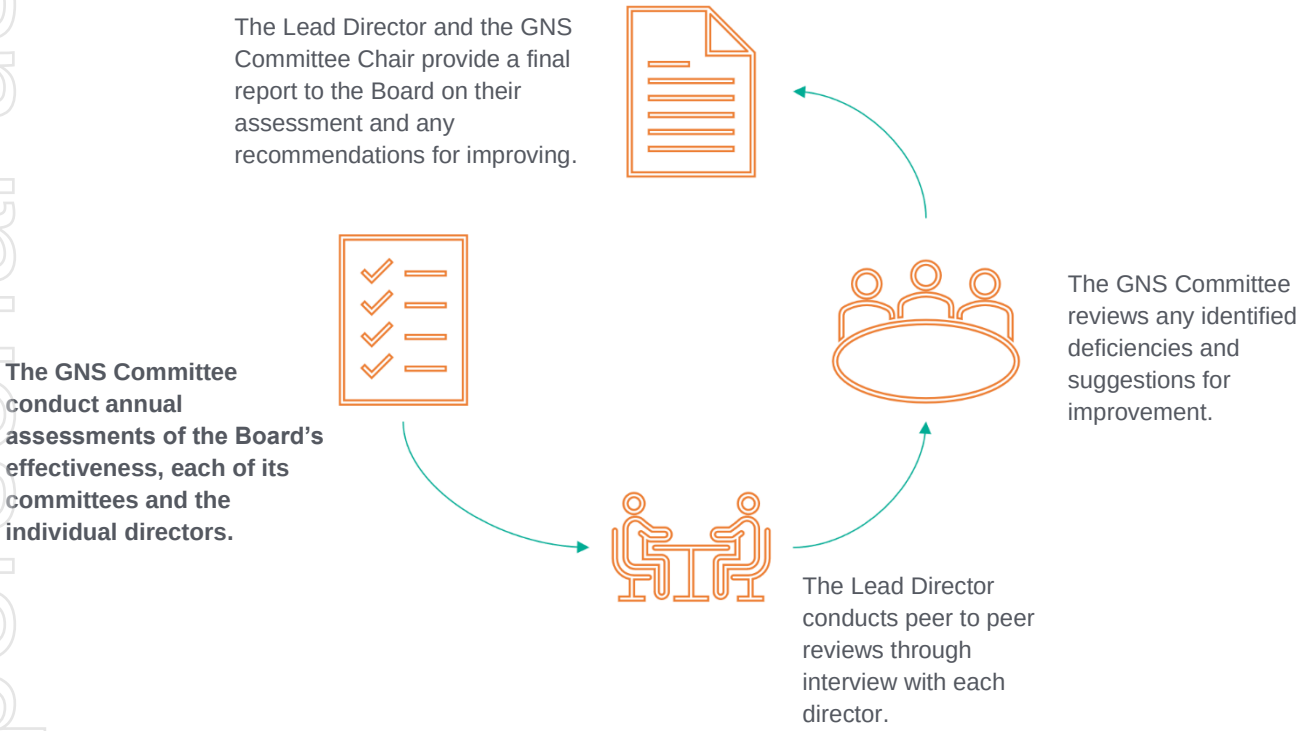
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Through the course of 2023, the following events, seminars and other events were attended by Capstone's directors:

Topic/Event	Date	Participants
Rising Expectations For Directors *(facilitated by Blake, Cassels & Graydon LLP)*	February 14, 2023	Board Members and Executive Team
Sustainability Tracking and Reporting: requirements, compliance, developments and trends *(facilitated by Solstice)*	July 31, 2023	Board Members and Executive Team
Tailings Management System *(facilitated by Capstone)*	November 19, 2023	Board Members and Executive Team

Board Performance Assessments

The GNS Committee is responsible for overseeing the annual assessment process of the Board, its committees and individual Directors. The assessments are intended to provide the Board and each committee with an opportunity to evaluate performance for the purpose of improving Board and committee processes and effectiveness.



The process is composed of the following steps:

- Board and committee performance evaluation questionnaires including a self-assessment by each director and an assessment by members of Management;
- Chair evaluation questionnaire;
- Lead Director evaluation questionnaire;
- Committee chairs evaluation questionnaire; and
- One-on-one confidential meetings between the Lead Director and every director covering comments provided in the questionnaire and peer evaluations. In addition, the Board may, from time to time, retain an independent advisor to assist the Board in independently assessing the performance of the Board, Board committees, Board and committee chairs and individual Directors.

As part of the Board assessment process, Directors are asked to rate items such as the structure and size of the Board, the knowledge and diversity of the collective Board, the timeliness and completeness of information received from Management, the relationship with Management and the overall effectiveness of the decision-making process. The assessment is intended to identify any deficiencies and any areas for improving the functionality of the Board. In 2023, we added ESG as a specific category to our performance evaluation

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(board effectiveness) questionnaire. The GNS Committee is responsible for evaluating and implementing any suggestions elicited through the evaluation process.

Nomination of Directors

The GNS Committee, composed entirely of independent directors, with oversight from the Board, has responsibility for identifying and recruiting potential Board candidates for nomination to the Board.

The Board has developed a Director Succession Plan and Board Recruitment Process Guideline (the "**Guideline**") to ensure orderly identification and selection of new Directors in the event of an opening on the Board, whether through anticipated retirement, unanticipated departure, expansion of the Board or otherwise. The Guideline outlines a robust nomination and selection process, which is fundamental to board effectiveness and ensures that the Board has the necessary skills and knowledge.

Under the Guideline, the GNS Committee assesses potential candidates to fill the needs of the Board based on an analysis of the skills matrix and the long-term plan for Board composition to ensure the appropriate industry, market, technical, ESG/Sustainability, and professional skills are represented to enable good governance. A recruitment firm may be retained to identify a broad slate of candidates. An assessment of each candidate's skills, expertise, experience, independence, diversity and personality fit are some of the key factors considered. The Diversity Policy is an integral part of the nomination process.

Capstone has implemented a majority voting policy for Directors which may be accessed on Capstone's website at *www.capstonecopper.com*.

Changes to the Board of Directors in 2023 and 2024

On May 8, 2023, Capstone announced the appointment of Mr. Peter Meredith as Lead Independent Director and the resignation of Mr. George Brack. On December 20, 2023, Capstone announced the appointment of Mr. Gordon Bell as a new independent director, effective January 8, 2024.

Independence

The Governance, Nominating and Sustainability Committee assesses the independence of each director on an annual basis as well as the independence of director nominees prior to nomination for election or appointment. In making an independence assessment the GNS Committee considers applicable securities laws as well as other matters it considers relevant, including investor and proxy advisor voting guidelines.

Capstone currently has six independent directors and two non-independent directors (Mr. Pylot and Mr. MacKenzie).

To allow the Board to function independently of Management, the following structures and processes are in place:

1. Capstone has an independent Lead Director, Mr. Meredith, who is responsible for, among other things, providing leadership to ensure the Board functions independently, working with the Chair to ensure appropriate committee structures are in place, consulting and meeting with any or all of the independent directors and, in the absence of the Chair, chairing Board meetings;
2. The CEO and Executive Chair of Capstone do not serve on any of the Committees of the Board. All committee members must be selected among the independent directors;
3. Pursuant to the Articles of Capstone, any one director may call a meeting of the Board;
4. The CEO's compensation is considered, in the CEO's absence, by the Human Resources & Compensation Committee and at a Board meeting of the independent members of the Board at least once a year;
5. In addition to the standing committees of the Board, *ad hoc* committees are appointed from time to time, when appropriate; and
6. The directors hold in-camera meetings at the end of all Board and committee meetings at which members of Management and other non-independent directors do not attend.

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Skills Matrix

The GNS Committee annually reviews and updates a matrix of skill sets of the current Directors that are important for the oversight of Capstone's business. The skills matrix review has been enhanced with the use of a more comprehensive skills analysis to assist the GNS Committee with its gap analysis when reviewing the needs of the Board. The review is a critical part of director recruitment when changes are made to the Board. The skills matrix and gap analysis are also used to identify board development opportunities and when a change in Board composition is required.

- ✓ Gold – Expert - worked directly or had individuals directly reporting to you in specific area
- ● Silver – Experienced – a reasonable wide range of understanding and knowledge in specific area
- ● Bronze – Knowledgeable - limited expertise in specific area

Summary of Director Qualification and Experience	Baker	Bell	Gallagher	Giardini	MacKenzie	Meredith	Palacios	Pylot
Environmental, Health, Safety	●	●	✓	✓	✓	✓	●	●
Sustainability	●	●	●	✓	●	●	●	●
Mining Operations	●	✓	✓	●	✓	●	●	✓
Industry Knowledge	●	✓	●	●	✓	✓	●	✓
Corporate Finance/Capital Markets	✓	✓	●	●	●	✓	●	✓
Risk Management	✓	●	✓	✓	●	✓	●	✓
Mergers & Acquisitions	●	✓	●	✓	✓	✓	●	✓
Accounting	✓	✓	●	●	●	✓	●	●
Governance/ Board	✓	✓	✓	✓	●	✓	●	✓
Legal	●	●	●	✓	●	●	✓	●
Government Relations/Social, Economic, Foreign Policy	●	●	●	✓	●	●	●	●
Information Technology/Cyber Security	●	●	●	●	●	●	●	●
Human Resources, Labour Relations and Executive Compensation	●	●	✓	✓	●	✓	●	✓
Strategic Leadership	●	✓	✓	●	✓	●	●	✓
Communications/Media Relations/Stakeholder Issues	●	✓	✓	✓	●	✓	✓	✓

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Oversight and Management of Environmental, Social and Governance Matters

The whole Board is engaged on Sustainability or ESG matters, as set out in our Board Oversight of ESG Terms of Reference. The Board oversees the effectiveness of policies, procedures, practices, controls, reporting and disclosure with respect to Capstone's ESG risks and opportunities and provides guidance (when needed) to Senior Management on management of these risks and opportunities. The Board delegates responsibility for oversight of ESG strategy and business strategy, disclosures, and stakeholder engagement to the GNS Committee and to the TOP Committee, oversight for environmental matters (including sustainable use of resources, environmental compliance and environmental incidents, employee health and safety policies and procedures and community relations policies and procedures.

In addition, the Board delegates specific areas of its ESG oversight responsibilities to its four committees:

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 review, as appropriate. • ESG risks specific to the Audit Committee including financial impacts of ESG risks.
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 – Ensure directors and Senior Management have up-to-date knowledge related to ESG risks and opportunities. • ESG risks specific to the Governance, Nominating and Sustainability Committee, including Board structure, membership and corporate governance compliance.
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 to support ESG disclosures and sustainability reporting. • ESG risks specific to the Technical and Operational Performance Committee operational risk related to tailings management, environmental protection, climate change, occupational health and safety, sustainability, and social issues.

Our Director Succession Plans and Director Recruitment Guidelines ensure the Board has the necessary sustainability knowledge and skills. All Board members have experience in Sustainability matters and one has an expert level of knowledge. Several members have competencies relevant to impacts associated with our Sustainable Development Strategy priorities (see table below). ESG matters are regularly discussed by the Board, which raises the sustainability competencies of all directors. We also incorporate sustainability and ESG knowledge, including guest presentations, into our Board development process.

Board Competencies Related to Sustainable Development Strategy Priorities	Baker	Bell	Gallagher	Giardini	MacKenzie	Meredith	Palacios	Pylot
Climate	✓	✓		✓	✓		✓	
Water					✓	✓	✓	
Tailings		✓	✓		✓			

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Board Competencies Related to Sustainable Development Strategy Priorities	Baker	Bell	Gallagher	Giardini	MacKenzie	Meredith	Palacios	Pylot
Biodiversity				✓	✓			
Communities			✓	✓	✓	✓	✓	✓

Capstone's governance and accountability framework includes Board-level oversight, executive-level accountability, and functional and operational responsibility for ESG matters. The Executive Committee reports quarterly to the Board on ESG matters and corporate ESG objectives.

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.



Policies relevant to ESG matters

Capstone has a robust ESG policy framework. These include our Code of Conduct Policy; Anti-Bribery Policy; Diversity and Inclusion Policy; Human Rights Policy; Integrated Environment, Health, Safety and Sustainability Policy; Tailings Management Policy and Whistleblower Policy. Senior Management is responsible for developing new ESG policies and reviewing and updating current ESG policies annually. The Board is responsible for approving ESG policies and any updates.

Communication of Ethical Concerns

Capstone has a Whistleblower Policy and a Whistleblower hotline (administered by an external 3rd party 'Integrity Counts') for stakeholders to report 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 2023, Capstone received 29 concerns. These concerns primarily consisted of internal employee reports.

ESG Reporting

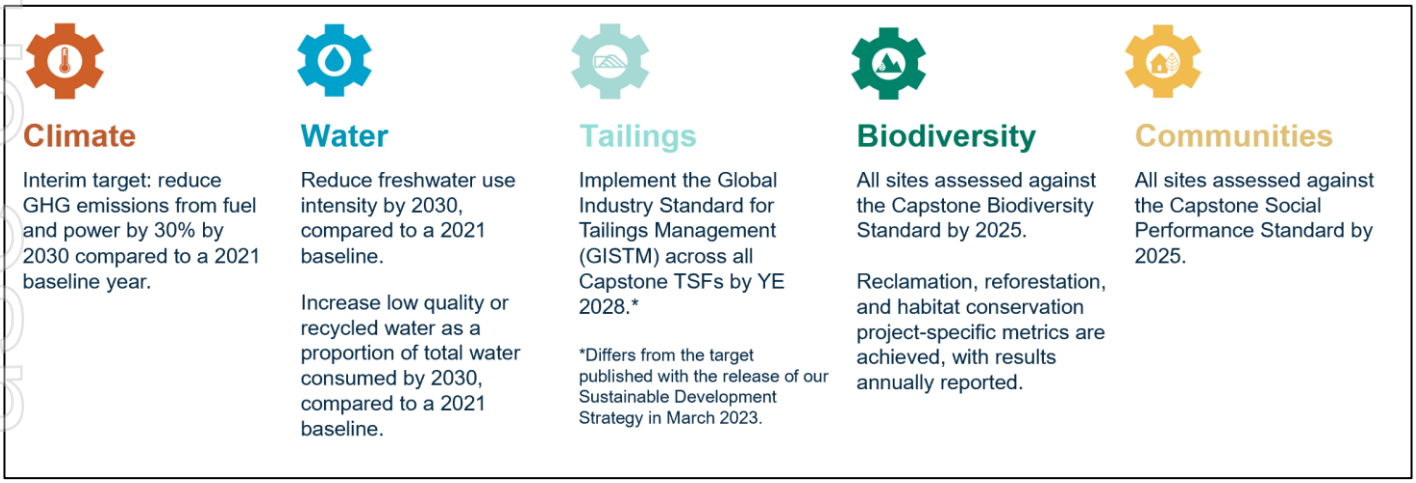
Capstone's 2022 Sustainability Report, the first for our combined entity, was reviewed and accepted by the Board and published on November 30, 2023. It was prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability

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Accounting Standards Board (SASB) Standards, and incorporated recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Material topics for sustainability reporting are approved by the Executive Committee, the GNS Committee and the Board. Capstone's 2023 Sustainability Report is expected to be published in Q2 2024.

Sustainable Development Strategy[21]

Capstone continues to make progress towards achieving the targets outlined in our Sustainable Development Strategy. In 2023, Capstone created four working groups (Climate, Tailing and Water, Biodiversity and Communities) made up of site and corporate representatives tasked with developing detailed action plans to achieve the Sustainable Development Strategy goals and targets. Capstone is on track to meet these targets.



Oversight on the Fighting Against Forced Labour and Child Labour in Supply Chain Act ("Forced Labour Act")

The Board acknowledges it is responsible for oversight of regulatory compliance, including compliance with the Forced Labour Act, which has effect from January 1, 2024. Both the Board and Management have taken proactive steps to meet the requirements of the Forced Labour Act, including due diligence and filing annual report starting May 31, 2024. The Board is committed to upholding ethical standards and promoting responsible business and labour practices, including the protection of human rights in its operations and supply chains.

Risk Oversight

Our Corporate Governance Guideline explicitly recognizes that our Board has the responsibility to oversee Capstone's Enterprise Risk Management Framework and risk management activities ("**ERM System**"). These risks include strategic, operational, environmental, health, safety and security, human resources, information security, legal and compliance, and ESG global risks, such as climate change, water scarcity, human rights, diversity and inclusion and other risks faced by Capstone. Management is responsible for identifying, evaluating, managing and mitigating Capstone's exposure to risk. It is the Board's responsibility to assess key risks facing Capstone and to review Management's strategies for risk mitigation. Our Board committees assist the Board in fulfilling its enterprise risk oversight responsibilities in certain areas of risk. Our Terms of Reference for the Board and each committee further outlines these responsibilities.

THE BOARD HAS A STRONG PROCESS IN PLACE TO MONITOR SIGNIFICANT RISKS.

Audit Committee	Oversight responsibility for financial risks, including but not limited to the significant financial risks identified by management in Capstone's corporate risk register, the significant financial impacts of ESG risk, and the significant financial risks disclosed in Capstone's continuous and other public disclosure documents.

21 For further details on our Sustainable Development Strategy, please see section entitled "*Responsibility*" on our website at https://capstonecopper.com/responsibility

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Human Resources & Compensation Committee	Oversight responsibility related to talent management, succession planning and other ESG risks specific to the HRC Committee and the business risk implications of our compensation policies and programs, as well as the compensation of directors.
Governance, Nominating & Sustainability Committee	Oversight responsibility for risks related to Board structure, membership and corporate governance compliance and for ESG risks.
Technical & Operational Performance Committee	Oversight responsibility for technical risk and operational risk related to production and costs, tailings management, environmental protection, climate change, occupational health and safety, security, sustainability and social risks facing Capstone.

Enterprise Risk Management (ERM)

Capstone's robust ERM System is implemented across Capstone to ensure that the risks affecting Capstone's business objectives and strategy are identified, evaluated and managed. The Board and Management identify and discuss key risks and opportunities during the annual strategic planning process. Our framework is used to navigate both negative risk and positive risk in order to better achieve our objectives. Additionally, Capstone's ERM system is integrated across all operations and aligned with our crisis management and emergency response plans and insurance program to establish a more efficient, effective and transparent risk management system. This strategic alignment allows Capstone to successfully transfer risk as appropriate through a robust global insurance program.

Each quarter, committees of the Board receive reports from Management on the risk areas they oversee. The Board also receives an update from Management on the key risks facing Capstone. The update includes a risk matrix, indicating the potential impact and likelihood of the principal risks, supported by a document that details each risk, including reasons for reporting and the mitigation strategies. Several risk management activities are completed by Management quarterly to support the summary reporting to the Board, including but not limited to the following:

- 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 the general managers and their respective Management teams.
- The corporate risk register is developed, reviewed, and updated with input from site management, followed by a review by the Management team.
- Top risks at each site are regularly discussed during Management meetings.
- Risk training and awareness programs are implemented across Capstone.
- Risks facing Capstone are discussed at each committee of the Board, as appropriate.
- Crisis Management and Emergency Response training and testing.

Risk champions are identified and trained at the operating sites and development projects; this coupled with on-going training and awareness programs for the Management teams, assists in embedding our ERM System and enhancing our risk awareness culture and risk-based decision making.

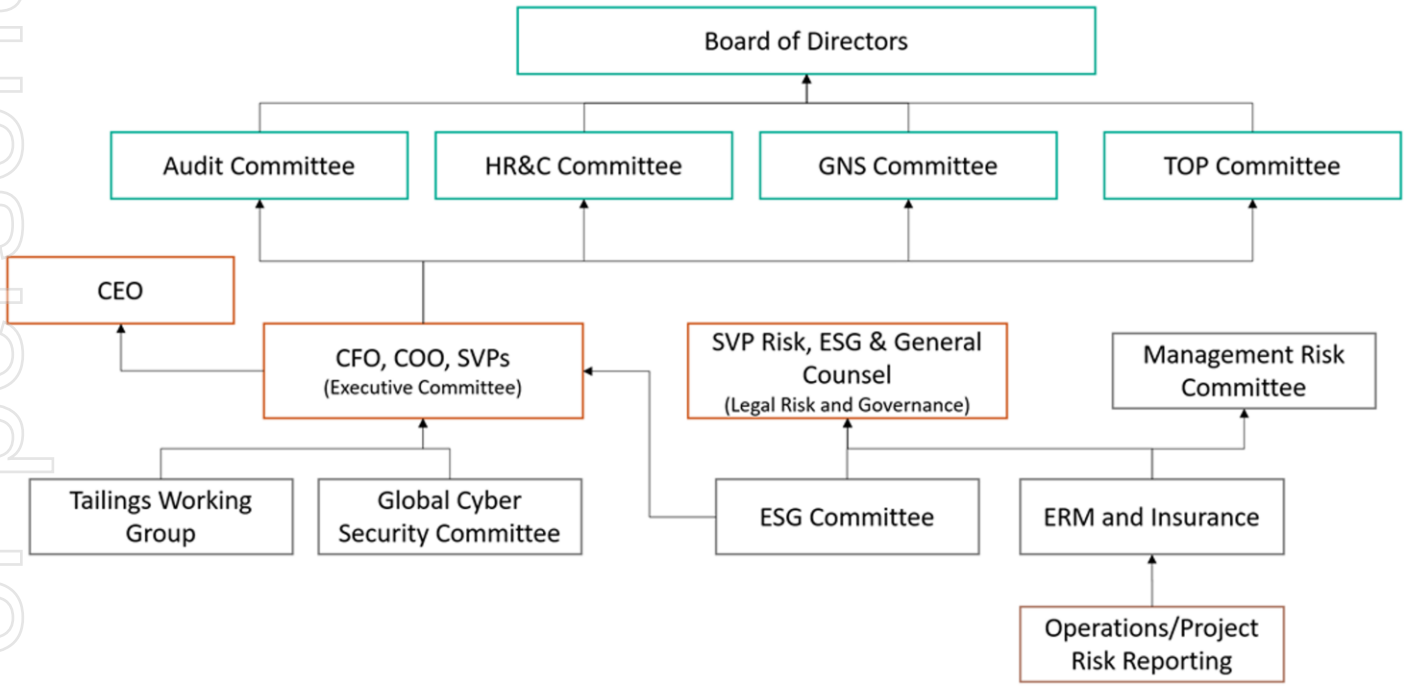
Capstone's ERM framework includes a cross functional management risk committee which meets to identify and discuss emerging and disruptive risks, and the interconnectivity between identified risks and mitigation strategies. Additionally, committees and working groups are established to manage key risks. The Tailings Working Group, ESG Committee, Global Cyber Security Committee and Global Pandemic Response Team report quarterly to the Board.

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Tailings Working Group	The **Tailings Working Group** is led by our Director, Tailings & Civil Infrastructure, a tailings management professional, and provides tailings management guidance and oversight to ensure tailings risks and mitigation efforts are adequately understood and communicated and responsible tailings management practices are applied across all operations and projects.
ESG Committee	The **ESG Committee** is led by our Senior Vice President, Risk, ESG & 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 topics 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.
Global Cyber Security Committee	The **Global Cyber Security Committee** led by our Director, Technology and Global Applications, manages information security risk through ongoing governance, policies, practices and cyber security training initiatives. Capstone continuously monitors the effectiveness of existing controls and the Cyber Incident Response Plan and utilizes third parties to assist with identifying and assessing new cyber threats and system vulnerabilities. Capstone highlights the importance of cyber and information security risk through direct oversight from the Board.

Capstone's ERM System is regularly assessed against best practices and enhanced where appropriate. In addition to traditional measures of likelihood and impact, Capstone includes a third dimension of risk analysis, risk velocity. Velocity measures how fast the occurrence of a risk may affect the organization and can significantly influence the mitigation strategy. In addition to the quarterly reports to the Board, additional risk reports are provided to the Board and the appropriate committee of the Board following any special reviews or investigations completed internally or by consultants.

The following chart highlights the governance structure of Capstone's ERM framework:



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Shareholder Engagement

Capstone is committed to transparent, timely and effective communication and encourages regular dialogue with shareholders. In line with this mandate, Capstone has a Disclosure & Confidentiality Policy which is reviewed annually. Quarterly and annual financial disclosures are reviewed by Capstone's Disclosure Committee before being recommended to the Audit Committee and Board for approval. Capstone holds quarterly conference calls with analysts and investors which are broadcast live and archived on our website at *www.capstonecopper.com*. Disclosure of news releases are reviewed by Capstone's Disclosure Committee and information about all significant corporate activities, including news releases, disclosure documents and investor presentations are posted on our website. An email list is maintained, and shareholders and other interested parties can request to receive alerts when news releases are published. Capstone maintains ongoing dialogue with shareholders through members of Management attending mining-focused and other investor conferences to meet with current and prospective shareholders and regularly travel to major mining investment centers in Canada, US, Europe and other jurisdictions, or attend virtually, to meet with current and prospective shareholders.

Investor relations is considered a priority at Capstone, with responsibility for communications with investors maintained at the executive level. Information requests and inquiries are handled by Investor Relations. The Company's executives regularly meet with shareholders and prospective investors to discuss relevant topics such as business strategy, operational performance, project development, catalysts, and ESG strategy and performance.

	Contact Capstone's Investor Relations at:	Contact Capstone's Board of Directors at:
	2100-510 West Georgia Street Vancouver, BC, V6B 0M3	2100-510 West Georgia Street Vancouver, BC, V6B 0M3
	866-684-8894	866-684-8894
	info@capstonecopper.com	directors@capstonecopper.com

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Other Corporate Governance Related Policies

Advance Notice Policy

The purpose of the Advance Notice Policy is to provide shareholders, Directors and management of the Company with a clear framework for nominating Directors of the Company. The Advance Notice Policy fixes a deadline by which Director nominations must be submitted to the Company prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Company for the notice to be in proper written form in order for any Director nominee to be eligible for election at any annual or special meeting of shareholders.

Anti-Bribery Policy

Capstone has an Anti-Bribery Policy which provides guidance and procedures to ensure that Capstone, as well as the third parties who have an arrangement with Capstone and interact with government officials on Capstone's behalf, conduct themselves in an honest and ethical manner when dealing with government officials and all other parties, and in compliance with all applicable laws and regulations pertaining to bribery and corruption. The Anti-Bribery Policy, amongst other things, prohibits the provision of facilitation payments, gifts, entertainment and political and charitable contributions to government officials. The Anti-Bribery Policy also establishes guidelines for internal controls to facilitate compliance with the policy. Training or other awareness initiatives on the Anti-Bribery Policy is provided on an ongoing basis.

Anti-Hedging Policy

Capstone has an Anti-Hedging Policy which prohibits Directors and Management from directly or indirectly hedging against future decisions in the market value of any securities of Capstone through the purchase of financial instruments designed to offset such risk. Prohibited transactions include the purchase by a director or Management of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of Capstone.

Hedging or monetizing transactions to fix the value of equity holdings in Capstone could potentially break the alignment between the holder's interests and those of other Capstone shareholders, thus defeating the purpose of long-term incentive ("**LTI**") compensation.

Clawback Policy

Capstone has a Clawback Policy which allows the Company to recover performance-based compensation from the CEO, CFO, COO, Senior Vice Presidents and Vice Presidents if there is a restatement of Capstone's previous financial results (other than a restatement caused by a change in applicable accounting results or interpretations), the result of which is that any performance-based compensation paid would have been a lower amount had it been calculated based on the restated results.

Performance-based compensation means all bonuses and other incentive and equity compensation awarded based on achievement of financial results.

Cyber Security Policy

Capstone has a Cyber Security Policy which establishes procedures and practices to mitigate internal and external cyber security threats, protect Capstone's information technology systems and infrastructure, data and reputation, and ensure that information technology related change management, business continuity and disaster recovery plans are developed to avoid changes or circumstances that could compromise Capstone's operations. The Cyber Security Policy also includes processes regulating how third parties are permitted access to our systems and guidelines in connection with the use of employees' personal devices. The Cyber Security Policy applies to all employees of Capstone and its subsidiaries as well as third parties who are users of Capstone's information technology resources. A global cross-functional cyber security team, with support from independent third-party service providers with cyber security expertise, is responsible for overseeing Capstone's cyber security strategy and response plan, and ongoing education and engagement. Capstone conducts monthly phishing tests and ongoing training at least once per annum.

Disclosure & Confidentiality Policy

Capstone has a Disclosure and Confidentiality Policy which establishes procedures to permit the disclosure of information about Capstone and its subsidiaries to the public in a timely manner, and to ensure that undisclosed non-public information remains confidential. Training or other awareness initiatives on the Disclosure & Confidentiality Policy is provided on an ongoing basis.

Diversity & Inclusion Policy

Capstone has a Diversity & Inclusion Policy to create an inclusive culture valuing diversity. It defines diversity as encompassing various characteristics of age, gender identity and expression, race, national or ethnic origin, religion, language and other ethnic distinctions, political beliefs, sexual orientation, physical ability, education, regional and industry experience and expertise and all other protected grounds. It defines inclusion as creating an equitable and supportive environment where all individuals are respected and their contributions valued. The policy outlines Capstone's vision, highlighting the importance of diversity and inclusion in improving decision-making, attracting talent, and driving business performance. It establishes guiding principles, including treating everyone with respect and embracing workforce diversity.

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Ethical Business Conduct

The Board views conduct of its businesses legally, ethically, responsibly and in accordance with Capstone's values as an integral component to the success of Capstone and part of its responsibilities to stakeholders.

The Board has adopted the Code of Conduct that is posted on our website at *www.capstonecopper.com* and under Capstone's profile at *www.sedarplus.ca*. The Board has instructed Management and employees to abide by the Code. Management reports significant breaches of the Code of Conduct to the GNS Committee on an annual basis, allowing the GNS Committee to monitor any trends. The Board also conducts an annual review of the performance of Capstone personnel under the Code of Conduct with a view to making any required changes in Capstone practice or policy to enhance compliance with the Code of Conduct. The Board keeps a record of any departures from the Code of Conduct and waivers requested and granted and confirms that no material change reports have been filed by Capstone since the beginning of Capstone's most recently completed financial year pertaining to any conduct of a director or executive officer that constitutes a departure from the Code of Conduct. Employees and Directors are required to annually certify their understanding of and adherence to the Code of Conduct.

All Directors of Capstone have the obligation to perform their duties and assume their responsibilities in the best interests of Capstone. Capstone expects all of its Directors to comply with the laws and regulations governing their conduct and further is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities.

Directors and executive officers who have an interest in a transaction or agreement with Capstone are required to promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law. As part of the Director Orientation and Education Process, new Directors are provided with education on Directors' duties including conflicts of interest and duty of confidentiality.

Human Rights Policy

Capstone is committed to respecting and promoting the human rights of all individuals impacted by its operations. The Board has adopted a Human Rights Policy to outline the Company's guiding principles and standards in this regard. Aligned with international human rights standards, including without limitation the *United Nations Guiding Principles on Business and Human Rights,* the *United Nations' Universal Declaration of Human Rights,* and the *Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises*, the policy underscores Capstone's commitment to upholding the dignity and rights of every person, regardless of race, gender, nationality, or any other status. It applies to all employees, directors and suppliers and supplements other relevant company policies. Capstone pledges to adhere to applicable human rights laws, ensure fair labour practices and foster freedom of association and collective bargaining across its operations and supply chain.

Insider Trading Policy

Capstone has an Insider Trading Policy to ensure that any purchase or sale of securities occurs in accordance with applicable securities laws. The Insider Trading Policy applies to the Directors, officers, employees, contractors, and their respective family members, other persons living in their household, or partnerships, trusts, corporations or other similar entities under their control, of Capstone and its subsidiaries. The Insider Trading Policy prohibits trading of securities based on inside information, speculating, short-selling, purchasing or selling puts and calls, and tipping, and sets out trading restrictions and reporting requirements.

Training or other awareness initiatives on the Insider Trading Policy is provided on an ongoing basis.

Integrated Environmental, Health, Safety and Sustainability (EHSS) Policy

Capstone has an Integrated EHSS Policy aimed at safeguarding the health and safety of people, minimize the impact on the natural environment, and build respectful relationships with local the local communities in which it operates. It emphasizes sustainable development, outlining principles to ensure robust risk management, compliance with industry standards and regulations, and continual improvement of EHSS performance. The policy promotes employee growth, open communication with stakeholders, and compliance with legislation and standards. Capstone encourages employee commitment to these principles, reinforcing them through personal behaviour and adherence to company values.

Policy on Hiring from External Auditors

Capstone has a Policy on Hiring from External Auditors which establishes a process for hiring current or former partners, principals or employees of the current or former external auditors by Capstone and its subsidiaries into a position considered to be a financial reporting oversight role. The purpose of the Policy on Hiring from External Auditors is to avoid compromising auditors' independence from such actions.

Subsidiary Governance Policy

Capstone has a Subsidiary Governance Policy to ensure adequate and appropriate governance and controls as well as consistency amongst all of Capstone's controlled subsidiaries. The Subsidiary Governance Policy establishes various guidelines, including guidelines surrounding the categorization of the various entities, the approval process relating to structural changes, the composition of a subsidiary's board and Management, board meeting policies and the delegation and limit of authority.

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Tailings Management Policy

Capstone has a Tailings Management Policy emphasizing responsible tailings facility management practices, involving various stakeholders such as employees, contractors, community members, and regulatory bodies. The policy aligns with Capstone's Integrated EHSS Policy commitments, focusing on health and safety, environmental impact mitigation and community well-being. It emphasizes clear accountability, compliance with legal requirements, independent reviews and engagement with communities of interest. Capstone commits to managing tailings facilities based on risk assessment, implementing a Tailings Management System, and allocating resources to support its implementation.

Tax Policy

Capstone has a Tax Policy which establishes a fundamental set of principles in which the tax function shall be embodied within Capstone and provides the overall strategy of how the tax function should carry out its duties, role and responsibilities. The Tax Policy, amongst other things, sets out the level of tax risk acceptable to Capstone and the process to determine and approve such risks with any necessary mitigation actions.

Whistleblower Policy

Capstone has a Whistleblower Policy to assist employees, Directors, shareholders, suppliers, external stakeholders, and others engaged in a business relationship with Capstone to report actual or suspected fraud, ethical concerns, violations of company policies, breaches of law, human rights violations and financial misconduct. The Whistleblower Policy outlines the process for reporting an ethical concern and the investigation based on the whistleblower report and confirms Capstone's commitment to employee protection. Concerns can be raised by individuals through the process on a confidential and anonymous basis. Training or other awareness initiatives on the Whistleblower Policy are provided on an ongoing basis, with testing conducted annually. The Whistleblower Policy may be accessed on Capstone's website at *www.capstonecopper.com*.

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BOARD COMMITTEES

Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to Capstone's:

- financial statements and MD&A and related earnings news releases;
- financial reporting processes;
- internal financial controls;
- internal and external audit functions;
- oversight of financial related risks;
- Whistleblower Policy and related procedures; and
- compliance with regulatory and statutory requirements relating to tax and disclosure.

Members	Independent	Financially Literate	2023 Attendance	
Alison Baker, CA (ICAEW) (Chair)	✓	✓	5 of 5	100%
Gordon Bell[22]	✓	✓	Nil	
Anne Giardini	✓	✓	5 of 5	100%
Peter Meredith, CPA, CA	✓	✓	5 of 5	100%

The Audit Committee consists of four independent members of the Board that are financially literate, meaning that each member can read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by Capstone's consolidated financial statements, including two members who are designated as financial experts.

The Audit Committee's terms of reference is located on our website at *www.capstonecopper.com*.

Human Resources & Compensation Committee

The HR&C Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to Capstone's:

- compensation policies and guidelines;
- executive compensation and general compensation;
- Management succession planning;
- annual performance evaluations; and
- oversight of human resource and compensation related risks.

Members	Independent	2023 Attendance	
Alison Baker	✓	6 of 6	100%
Robert Gallagher[23]	✓	6 of 6	100%
Peter Meredith (Chair)[24]	✓	6 of 6	100%
George Brack[25]	✓	3 of 3	100%

The HR&C Committee consists of three independent members of the Board that have previous industry experience in setting executive salaries and have served on compensation committees of other issuers of similar size.

The HR&C Committee's terms of reference is located on our website at *www.capstonecopper.com*.

22 Mr. Bell was appointed to the Board effective January 8, 2024, and appointed as a member of the Audit Committee effective February 20, 2024.
23 Mr. Gallagher was appointed as a member of the HR&C Committee effective May 8, 2023.
24 Mr. Meredith was appointed as Chair of the HR&C Committee effective May 8, 2023.
25 Mr. Brack resigned from the Board effective May 7, 2023.

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Governance, Nominating and Sustainability Committee

The GNS Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to:

- developing and implementing principles and systems for the management of corporate governance;
- establishing and leading the process for identifying and recruiting qualified individuals for Board and Board committee membership;
- evaluating the Board, Board committee and individual director performance;
- oversight for Code of Conduct;
- oversight of risks related to board structure, membership and corporate governance;
- establishing the process for ongoing development for Directors; and
- oversight and direction of Capstone's ESG strategy and provide oversight of ESG disclosures.

Members	Independent	2023 Attendance	
Patricia Palacios[26]	✓	5 of 5	100%
Robert Gallagher	✓	7 of 7	100%
Anne Giardini (Chair)	✓	7 of 7	100%
George Brack[25]	✓	2 of 2	100%

The GNS Committee consists of three Directors, all of whom are independent.

The GNS Committee's terms of reference is located on our website at *www.capstonecopper.com*.

Technical & Operational Performance Committee

The TOP Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to:

- ensuring accurate and measurable data and performance for technical, environmental, health and safety initiatives;
- environmental policies and activities;
- health and safety policies and activities;
- policies and activities related to engagement with communities, government and stakeholders;
- oversight for Capstone's Integrated EHS&S Policy;
- oversight of risks related to safety, operations, environmental and social impacts;
- management and reporting of mineral resources and reserves; and
- policies and activities related to major capital projects and mine development.

Members	Independent	2023 Attendance	
Gordon Bell[27]	✓	Nil	
Patricia Palacios[28]	✓	4 of 4	100%
Robert Gallagher (Chair)	✓	7 of 7	100%
Anne Giardini	✓	7 of 7	100%
George Brack[255]	✓	3 of 3	100%

The TOP Committee consists of three Directors, all of whom are independent.

The TOP Committee's terms of reference is located on our website at *www.capstonecopper.com.*

26 Mrs. Palacios was appointed as a member of the GNS Committee on May 3, 2023, and only began attending the GNS Committee meetings after such date. Following her appointment, Mrs. Palacios attended 100% of the meetings of the GNS Committee.
27 Mr. Bell was appointed to the Board effective January 8, 2024, and appointed as a member of the TOP Committee effective February 20, 2024.
28 Mrs. Palacios was appointed as a member of the TOP Committee on May 3, 2023, and only began attending the TOP Committee meetings after such date. Following her appointment, Mrs. Palacios attended 100% of the meetings of the TOP Committee.

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ADDITIONAL INFORMATION

Interest of Informed Persons in Material Transactions

Except as disclosed herein, since the commencement of Capstone's most recently completed financial year, no informed person of Capstone, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect Capstone or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of Capstone; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of Capstone; (c) any person or company who beneficially owns, directly or indirectly, voting securities of Capstone or who exercises control or direction over voting securities of Capstone, or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) Capstone itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

Interest of Certain Persons in Matters to be Acted Upon

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors. For the purpose of this paragraph, "Person" shall include each person or company: (a) who has been a director or executive officer of Capstone at any time since the commencement of Capstone's last financial year; (b) who is a proposed nominee for election as a director of Capstone; or (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

Indebtedness of Directors and Executive Officers

As of the date of this Management Information Circular, no executive officer, director, employee or former executive officer, director or employee of Capstone or any of its subsidiaries is indebted to Capstone or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Capstone, or any of its subsidiaries.

Management Contracts

Except as set out herein, there are no management functions of Capstone which are to any substantial degree performed by a person or company other than the directors or NEOs (as defined below) of Capstone.

Additional Information

Additional information relating to Capstone is on the SEDAR+ website at *www.sedarplus.ca* under "Capstone Copper Corp." Financial information is provided in Capstone's comparative financial statements and MD&A for its most recently completed financial year, copies of which will be mailed to shareholders who requested them, are available on our website at *www.capstonecopper.com* and on the SEDAR+ website at *www.sedarplus.ca.* Shareholders may request copies of Capstone's financial statements and MD&A by contacting the Corporate Secretary at 604-684-8894 or corporatesecretary@capstonecopper.com.

Other Business

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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COMPENSATION DISCUSSION AND ANALYSIS

An Introduction from Human Resources & Compensation Committee Chair

Dear Shareholders,



On behalf of the Board and the HR&C Committee, I am pleased to introduce the Compensation Discussion and Analysis ("**CD&A**"). The Board is keenly aware of our responsibility to ensure our approach to executive compensation supports our strategy, aligns with the interests of our shareholders and provides a competitive compensation program that motivates and retains talent for long-term sustainability and growth. We are also aware that our compensation decisions must be logical and understandable to our employees, shareholders and other stakeholders, and we are committed to providing clarity and transparency through a comprehensive CD&A.

Capstone's 2023 Performance

Capstone's 2023 key performance highlights are as follows. Refer to page 51 for a more detailed summary.

- Achieved consolidated copper production of 164,353 tonnes with a C1 cash cost of $2.88/lb for the year ended December 31, 2023.
- At the MVDP, construction of all elements required to commence commissioning activities was completed by year end 2023.
- Announced that the Copper Mark had been awarded to our Mantoverde and Mantos Blancos operations in Chile.
- Expanded the Company's Revolving Credit Facility to $700 million and extended maturity.
- On March 20, 2023, Capstone Copper announced a new Sustainable Development Strategy and the adoption of greenhouse gases ("GHG") emissions reduction targets to support the Company's commitment to responsible copper production.
- On March 31, 2023, the Company and its largest shareholder, Orion completed a secondary bought offering of Common Shares whereby Orion sold an aggregate of 57,500,000 Common Shares at a price of C$5.70 per share.
- Announced the results of a new Technical Report and life of mine plan for its Cozamin mine. The updated life of mine plan includes average annual copper production of 20 thousand tonnes of copper and 1.3 million ounces of silver over eight years at average C1 costs[29] of $1.51 per payable pound of copper.
- At Pinto Valley, Capstone continued to advance our evaluation of expansion and district integration opportunities.
- Also at Pinto Valley, Capstone invested in infrastructure upgrades aimed at increasing water reclaim, tailings and environmental projects.

Key Compensation Activities in 2023

The HR&C Committee monitored emerging trends in executive compensation practices and reviewed the need for changes to align with the market. Our key activities for 2023 included:

- Reviewed executive and independent director pay levels based on updated compensation peer group;
- Enhanced share ownership requirement levels for our CEO;
- Reviewed executive compensation risk;
- Continued our shareholder engagement on executive compensation design; and
- Reviewed CEO and executive team succession plans.

2023 CEO Pay

The CEO's actual total direct compensation ("**TDC**") for 2023 was $4.06 million, which included a short-term incentive award of $874,874 and mid- and long-term equity incentives awards totaling $2.28 million at grant. The CEO's short-term incentive award was based on Capstone's overall performance relative to safety, environmental, ESG, operational, financial and strategic objectives established by the Board at the start of the year (scoring 78%), as well as individual objectives (scoring 125%). The mid- and long-term equity incentives were in the form of Performance Share Units (50%), Restricted Share Units (25%) and stock options (25%) to align with long-term shareholder interests. The Performance Share Units are completely at-risk and vest based on total shareholder return ("**TSR**") performance relative to other copper producers against which we compete for investor capital.

We believe the compensation awarded to our CEO in 2023, which was informed by market data from our compensation peer group, appropriately reflects Capstone's operating performance as well as Mr. MacKenzie's delivery on key strategic objectives that contribute to long-term shareholder value.

29 These are alternative performance measures. Refer to the news release titled "Capstone Copper Reports First Quarter 2023 Results", dated May 3, 2023.

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ESG

Capstone's 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 goal is to be a responsible, industry-leading source of copper. To support our commitment, Capstone has ESG specific objectives on our Corporate Scorecard, that are directly linked to executive short-term incentives. Our ESG objectives (which include our focus on safety and the environment) have a very meaningful weighting of 30% in the Corporate Scorecard.

Conclusion

In summary, the Board, the HR&C Committee and Management are committed to creating long-term value for our shareholders and believe in aligning our executive compensation program with this purpose in mind. Our compensation philosophy and principles drive our compensation program. We believe the design of our current program provides the ability to motivate, reward and retain high performing executives to create and deliver value as well as providing the flexibility required to support Capstone's long-term success in a cyclical and volatile industry.

Yours sincerely,

"*Peter Meredith*"

Lead Director & Chair of HR&C Committee

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Executive Summary

Capstone has the following leading practices that drive performance, build culture and teamwork, instill Capstone values and ensure alignment with shareholder interests.

What We Do

✓	We pay for performance
✓	We engage an independent compensation advisor
✓	We benchmark our executive compensation program against an appropriate peer group
✓	More than 77% of CEO compensation and 68% of other Named Executive Officer ("**NEO**") target compensation is at risk
✓	We have maximum payout caps on our short- and long-term incentive programs
✓	50% of the CEO and other NEO's equity-based compensation is in the form of Performance Share Units
✓	We have Share Ownership Guidelines for our directors and executive officers
✓	We have a Clawback Policy, an Anti-Hedging Policy and an Insider Trading Policy
✓	We review compensation risk annually, and ensure a balanced focus in the Corporate Scorecard on financial, ESG, operating and strategic milestones
✓	The Board may exercise discretion when considering compensation decisions to reduce or increase the size of any award or payout to reflect unusual or extraordinary events or circumstances

What We Do Not Do

✗	We do not guarantee annual base salary increases or incentive compensation
✗	We do not reprice stock options
✗	We do not offer excessive perquisites
✗	We do not offer loans to directors or executives

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2023 Named Executive Officers Summary Compensation Table

For the financial year ended December 31, 2023, our NEOs include our CEO, CFO and the three other most highly compensated executive officers. The following table is a summary of compensation paid in Canadian dollars to our NEOs for each of Capstone's three most recently completed financial years (2021, 2022 and 2023).

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)[30]	Non-Equity Incentive Plan Compensation ($)		All Other Compensa-tion ($)	Total Compensa-tion ($)
					Annual Incentive Plans ($)[31]	Long-Term Incentive Plans ($)		
John MacKenzie CEO and Director[32]	2023	910,000	1,706,250	568,750	874,874	-	62,430	4,122,304
	2022	656,316	1,640,625	546,875	778,750	-	375,646[33]	3,998,212
	2021	-	-	-	-	-	-	-
Cashel Meagher President & COO[34]	2023	650,000	828,750	276,250	512,460	-	85,613	2,353,073
	2022	619,792	2,072,075[35]	524,025[35]	500,625	-	39,910	3,756,427
	2021	-	-	-	-	-	-	-
Raman Randhawa Senior Vice President & CFO	2023	510,000	650,250	216,750	340,808	-	80,703	1,798,511
	2022	482,500	606,240	180,938	332,925	-	60,542	1,663,145
	2021	420,000	441,000	147,000	352,170	-	39,875	1,400,045
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	2023	434,200	488,475	162,825	280,385	-	76,506	1,442,391
	2022	417,500	526,842	156,563	273,984	-	61,931	1,436,820
	2021	380,000	399,000	133,000	318,630	-	40,816	1,271,446
Jerrold Annett Senior Vice President, Strategy & Capital Markets	2023	404,250	454,781	151,594	279,236	-	34,156	1,324,017
	2022	385,000	433,125	144,375	261,319	-	29,563	1,253,382
	2021	350,000	367,500	122,500	293,475	-	37,864	1,171,339

30 Option-based compensation is valued using the Black-Scholes option pricing model. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies. The Black-Scholes model resulted in a value of an option of $3.10 on February 22, 2023, $3.25 on March 7, 2022 and $1.76 on March 2, 2021.
31 The amounts earned as non-equity incentive pay compensation were paid during the subsequent financial year.
32 Mr. MacKenzie was appointed CEO of Capstone Copper on March 23, 2022. He does not receive any remuneration in his role as a Director of Capstone Copper.
33 Includes a signing bonus of $96,000 and reimbursement of $44,000 in relocation related fees, both which were grossed up to cover taxes for a total value of $301,075.
34 Mr. Meagher was appointed President & COO of Capstone on January 5, 2022.
35 Includes new hire incentives that were required to attract Mr. Meagher away from his former employer.

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COMPENSATION GOVERNANCE

Roles of the Human Resources & Compensation Committee and Management

Peter Meredith, Alison Baker and Robert Gallagher are members of the HR&C Committee, which is responsible for implementing and assisting the Board in fulfilling its oversight responsibilities in relation to executive and general compensation, human resources policies, labour relations strategy and succession planning. Each member of the HR&C Committee is an independent director and has a wide range of understanding and knowledge in human resources management, labour relations and compensation.

Management plays an important role in executive compensation and human resources policy decisions by making recommendations to the HR&C Committee.

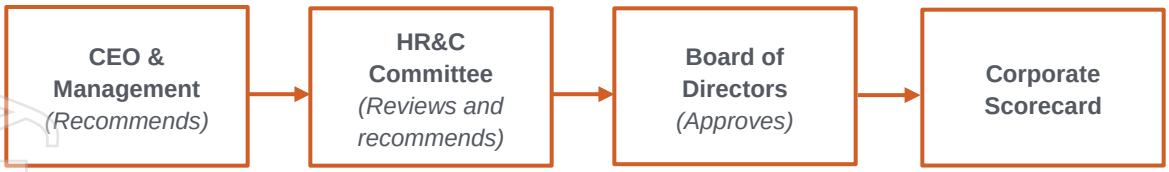
Role of HR&C Committee	Role of Management
In fulfilling its mandate, the HR&C Committee is responsible for the following: • reviewing the annual Corporate Scorecard objectives, which are ultimately approved by the Board, and then approving the Corporate Scorecard rating each year; • considering matters of compensation with respect to the CEO and making recommendations to the Board; • reviewing and approving compensation of the senior executive officers who report to the CEO, all within the human resources and compensation policies; • guiding broader policies on compensation, benefits, human resources, and overall labour relations strategy; • annually assessing the risk, competitiveness and appropriateness of Capstone's human resources and compensation policies and guidelines; • ensuring the development of the CEO succession plan as well as a succession plan for other key executive officers; and • reporting regularly to the Board on all of the HR&C Committee activities and findings during the year.	Management makes recommendations to the HR&C Committee and keeps the HR&C Committee informed of best practices regarding the following: • the annual Corporate Scorecard objectives and weightings; • the annual individual objectives of the NEOs, other executive officers and Capstone employees; • proposed compensation adjustments for the NEOs, other than the CEO, and senior executive officers; • Capstone's broader policies on compensation, benefits, diversity and inclusion, labour relations and human resources; • equity-based compensation plans and amendments to such plans, as necessary; and • talent development plans for the executives.

With respect to executive pay decisions, management acts in an advisory and informational capacity only. The HR&C Committee recommends CEO compensation to the Board for approval. The HR&C Committee approves compensation for all executives who report directly to the CEO.

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Decision Making Process

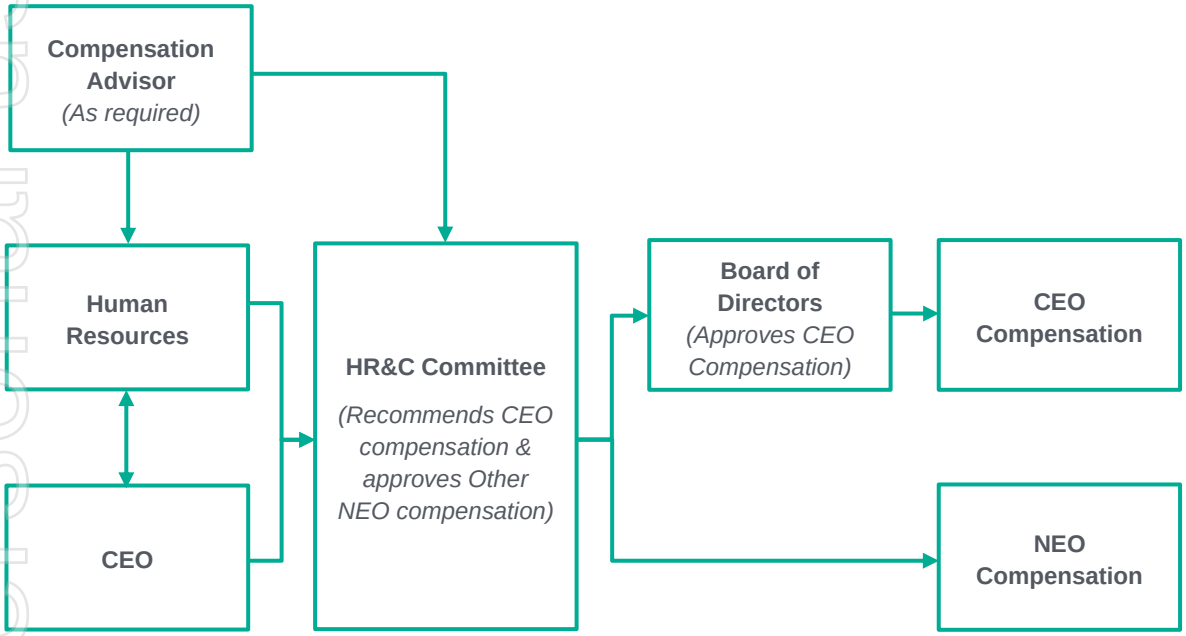
Corporate Scorecard Objectives & Weightings



Corporate Scorecard Rating



CEO and NEO Compensation



Compensation Risk Management

The Board has overall responsibility for the oversight of our risk management policies, plans and practices. The HR&C Committee is responsible for overseeing our compensation policies and practices to ensure they do not encourage management to take risks that are outside of our risk tolerance and would be reasonably likely to have a material adverse effect on Capstone. Management reports annually to the HR&C Committee on the steps taken to identify, monitor and control compensation risk exposures. Biennially, a third-party consultant reviews the following:

- the appropriateness of the compensation peer group;
- target compensation levels by role to ensure that levels are consistent with compensation philosophy and peer group practices;
- pay mix to ensure that there is an appropriate mix of fixed and variable (at-risk) compensation; and
- the degree of alignment between executive pay and shareholder returns and other performance metrics.

In addition, our Anti-Hedging Policy and Clawback Policy have been designed to complement our risk management approach.

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Anti-Hedging Policy

Capstone prohibits directors and management from directly or indirectly hedging against future declines in the market value of any securities of Capstone through the purchase of financial instruments designed to offset such risk. Prohibited transactions include the purchase by a director or management of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of Capstone.

Hedging or monetizing transactions to fix the value of equity holdings in Capstone could potentially break the alignment between the holder's interests and those of other Capstone shareholders, thus defeating the purpose of LTI compensation.

Clawback Policy

Our Clawback Policy allows Capstone to recover performance-based compensation from the CEO, CFO, COO, Senior Vice Presidents and Vice Presidents if there is a restatement of Capstone's previous financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the result of which is that any performance-based compensation paid would have been a lower amount had it been calculated based on the restated results.

Performance-based compensation means all bonuses and other incentive and equity compensation awarded based on achievement of financial results.

Share Ownership Guidelines

The Board believes that certain executive and directors should own and hold Common Shares to further align their interests and actions with the interests of shareholders. Capstone's Share Ownership Guidelines apply to the independent directors and officers of Capstone and its subsidiaries (includes independent directors, CEO, CFO, COO, Senior Vice Presidents, Vice Presidents and Mine General Managers).

The following shares (collectively, the "**Qualifying Shares**") qualify under the guidelines:

- shares owned outright;
- share units granted through Capstone's Share Unit Plans (RSU's, PSU's, TRSU's, TPSU's and DSU's);
- shares owned through Capstone's Employee Share Purchase Plan; and
- shares held by immediate family members; or held in trust; or family holding companies.

Stock options granted through the Incentive Stock Option & Bonus Share Plan are excluded from the definition of share ownership. The Committee continues to review the inclusion of unvested share units, including PSUs, in the definition of share ownership, against market best practices and policy guidance from external constituents.

The below table summarizes share ownership requirements for the independent directors, CEO and all other executives (including the NEOs).

Level	Requirement
Independent Directors	4x Annual Retainer
CEO	4x Base Salary
Other Executives (CFO, COO, Senior Vice Presidents, Vice Presidents and Mine General Managers)	2x Base Salary

As of July 2023, the Share Ownership Guidelines were amended to increase the requirement for the CEO from 3 to 4 times Base Salary.

Participants are required to achieve ownership of a number of Qualifying Shares meeting the required market value by the later of five years after adoption of the Share Ownership Guidelines or five years after first being designated as a participant. After a change in base salary or annual retainer fee or, if appropriate, a change in title, participants are required to meet the additional incremental value requirement within three (3) years.

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The following table provides information about the stock-based holdings of Capstone's NEOs, as at December 31, 2023.

Executive	Guideline: Multiple of Salary ($)	Status as at December 31, 2023[36]	Meets Requirement
John MacKenzie CEO and Director	4X $3,640,000	128.9X $117,286,217	✓
Cashel Meagher President & COO	2X $1,300,000	5.9X $3,807,914	✓
Raman Randhawa Senior Vice President & CFO	2X $1,020,000	11.5X $5,858,049	✓
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	2X $868,400	9.3X $4,049,991	✓
Jerrold Annett Senior Vice President, Strategy & Capital Markets	2X $808,500	75.4X $30,473,441	✓

The following table provides information about the stock-based holdings of Capstone's independent directors, as at December 31, 2023.

Independent Director	Guideline: Multiple of Retainer ($)	Status as at December 31, 2023[3636]	Meets Requirement
Darren Pylot[37]	4X $500,000	209.0X $26,122,367	✓
Peter Meredith[38]	4X $260,000	49.5X $3,216,855	✓
Alison Baker	4X $260,000	4.0X $262,302	✓
Anne Giardini	4X $260,000	4.5X $293,650	✓
Patricia Palacios[39]	4X $260,000	1.2X $76,549	On Track
Robert Gallagher	4X $260,000	53.0X $3,445,436	✓

*Mr. Zollei resigned from the Board effective May 3, 2023, Mr. Brack resigned from the Board effective May 7, 2023, and Mr. Bell was appointed to the Board effective January 8, 2024. Therefore, their share ownership was not included as at December 31, 2023.

36 The value calculated per share is the higher of the December 29, 2023 market price, being $6.45 on the TSX, and the original purchase price or exercise price on acquisition of the share. Assumed a target (100%) performance rating for unvested PSUs.
37 Mr. Pylot transitioned from Executive Chair to Board Chair effective May 3, 2023.
38 Mr. Meredith was appointed as Lead Director effective May 8, 2023.
39 Ms. Palacios was appointed to the Board effective May 3, 2023.

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EXECUTIVE COMPENSATION PRACTICES

Executive Compensation Objectives

Our executive compensation program is designed to provide an attractive, market-based total rewards program tied to performance and aligned with the interests of our shareholders. Our objective is to attract and retain the caliber of executive officers necessary to deliver sustained high performance and growth. On a regular basis, we benchmark our programs against the best practices of our compensation peer group to remain competitive. The goals of our program are to:

- **attract and retain top-caliber executives:** executive officers have base salaries and employee benefits that are market competitive and allow us flexibility to hire and retain high-caliber individuals at all levels;
- **pay for performance:** a significant portion of executive compensation is at risk based on Company and individual performance;
- **reward long-term growth and profitability:** a significant portion of executive compensation is in long-term equity-based programs that reward achievement of long-term results, aligned with Capstone's goals and the interests of our shareholders;
- **align compensation with shareholder interests:** the interests of our executive officers are linked with those of our shareholders through the risks and rewards of ownership of our securities and units; and
- **reinforce succession planning:** the overall compensation program for our executive officers reinforces our robust succession planning process and the expected leadership behaviours.

Compensation Philosophy

Capstone's compensation philosophy is to target TDC within a competitive range of the market median, with the ability to earn compensation above median for very strong performance.

Total direct compensation includes base salary, short-term incentive and long-term incentives.

Peer Benchmarking

The HR&C Committee engages Meridian Compensation Partners ("**Meridian**") as its independent advisor. Meridian generally benchmarks executive and independent director pay levels and practices every two years.

To identify appropriate peer companies, Meridian used the following criteria:

- publicly-traded North American companies in the Copper, Gold, Silver and Diversified Metals and Mining sectors;
- a target size scope of 1/3 to 3 times Capstone's total assets, with revenue and market capitalization used as secondary lenses;
- corporations whose recent history has demonstrated good financial results and governance; and
- corporations with a similar mining operations profile to Capstone's.

These criteria were validated by Capstone's HR&C Committee and management. The HR&C Committee may expand these criteria as necessary to maintain an appropriately sized peer group.

Compensation Peer Group

The below table summarizes the compensation peer group for 2023, and how Capstone compares in terms of assets, revenue and market capitalization:

Company Name	Total Assets[40] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[41] ($ millions)
Lundin Mining Corporation	14,461	3,976	8,384
Kinross Gold Corporation	13,902	5,722	9,847
Pan American Silver Corp.	10,186	2,728	7,883
SSR Mining Inc.	7,774	1,763	2,899
Hudbay Minerals Inc.	7,099	1,898	2,544

40 Most recently reported annual assets.
41 Market capitalization as of December 31, 2023.

Company Name	Total Assets[40] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[41] ($ millions)
B2Gold Corp.	6,559	2,708	5,441
Eldorado Gold Corporation	6,506	1,280	3,489
IAMGOLD Corporation	6,080	852	1,607
Equinox Gold Corp.	5,803	1,415	2,016
Alamos Gold Inc.	5,287	1,348	7,062
Hecla Mining Company	3,970	972	3,962
Centerra Gold Inc.	2,968	1,293	1,707
Coeur Mining Inc.	2,798	1,004	1,645
First Majestic Silver Corp.	2,640	790	2,333
Lundin Gold Inc.	2,051	1,245	3,930
Ero Copper Corp.	1,760	585	1,958
Capstone Copper Corp.	**7,819**	**1,825**	**4,480**
Percentile Positioning	Above 75th percentile	Between 50th and 75th percentile	Between 50th and 75th percentile

Compensation Advisor

Meridian has been engaged to provide the HR&C Committee with independent advice on our compensation program. Meridian was previously engaged by Capstone Mining since 2017 and continues to support Capstone Copper. Meridian provided the following support to the HR&C Committee in 2023:

- advised on trends in executive compensation;
- provided views on alignment with market practices, good governance principles and proxy advisory voting policies;
- reviewed and advised on compensation and Performance Share Unit performance peer groups;
- conducted market analysis, advised on trends, and reviewed executive compensation;
- conducted market analysis, advised on trends and reviewed independent directors' compensation; and
- conducted market analysis and advised on director and executive compensation programs and policies, including short-term incentives and long-term incentives.

Executive Compensation-Related Fees

A summary of the fees paid to our compensation advisors and their affiliates for 2022 and 2023 are outlined in the following table.

	2022		2023	
Consultant	Executive Compensation Related Fees ($)	All Other Fees ($)	Executive Compensation Related Fees ($)	All Other Fees ($)
Meridian	110,759	-	68,797	-

Executive Continuing Education

Capstone believes that continuing education is important for executives to build on their skills and expertise, to keep up to date on industry trends and best practices, and to help gain better understanding of the issues facing Capstone. As such, executives are encouraged to participate in continuing education which is discussed in the development plan component of our performance management program.

Diversity

Capstone is committed to having an executive team with the appropriate background, knowledge and skills with gender and other diversity, in accordance with our Diversity Policy, to effectively carry out its duties and deliver on Capstone's strategy.

When assessing potential candidates, the following factors are also considered:

- the executive team's overall mix of capability, skills and experience;

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- the alignment of their values with Capstone's;
- their character, integrity, judgment and background; and
- diversity.

As of December 31, 2023, 20% of executive direct reports to the CEO are female.

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2023 CORPORATE PERFORMANCE

Capstone bases short-term variable compensation on predetermined objectives that are recommended annually by Management, reviewed by the HR&C Committee and approved by the Board. These objectives are documented on the annual Corporate Scorecard, with a significant proportion based on the performance of Capstone's operating mines. Scorecards help to align Management efforts with shareholder interests, to communicate priorities, to measure and to reward performance. The objectives are based on what Management can control. Targets are set for safety, environmental, ESG, operational and financial performance, with specific strategic growth and execution initiatives set at each of our assets. Executives' short-term variable compensation is determined based on a combination of performance against the Corporate Scorecard and individual performance commitments which are also set early in the year and tracked.

Summary of Corporate Scorecard Results

Capstone Copper made solid progress in many important areas during 2023. Our Corporate Scorecard targets and performance results for 2023 are summarized as follows. Scorecard weightings (out of 100%) are shown in brackets behind each category. Performance for the Corporate Scorecard can range from 0-200%.

- **Safety (15%):** Performance targets are set both for leading indicators, such as compliance with site safety management plans and for lagging indicators, such as injury statistics. Capstone did not achieve target performance in 2023 as a result of a higher lost time injury frequency rate over the prior year.
- **Sustainability (15%):** The Sustainability category captures reportable and non-reportable environmental incidents as well as performance on various goals, which in 2023 included the completion of a climate risk assessment and the establishment of working groups for Capstone's ESG priority areas. Notably, Capstone's Chilean Operations were awarded the Copper Mark during 2023, and we achieved an above target score in the ESG category.
- **Operational Performance (40%):** Operational performance is measured against consolidated production targets (20%) and operating costs (20%). Capstone did not achieve its initial public guidance for production or costs in 2023, resulting in a below target score for the year.
- **Strategic (30%):** The Strategic section of the Corporate Scorecard encompasses company-wide and site-specific targets covering financial deliverables, growth, execution, and risk management. In 2023, progress at our MVDP had an outsized weighting. Other targets in the Strategic section included progress with the adoption of a new mining method at Cozamin, the evaluation of district consolidation opportunities, and various engineering studies. We achieved an above target score in the Strategic section for 2023.

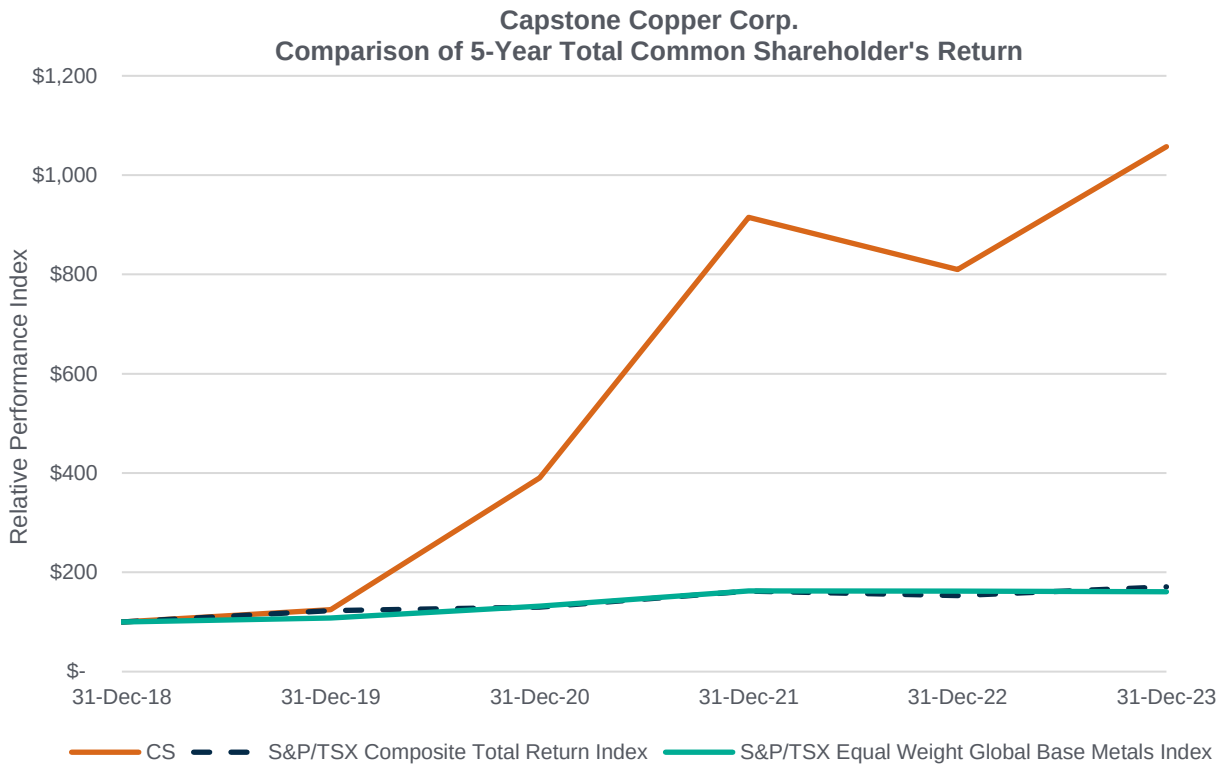
Overall, the Board approved a score of 78% on the Corporate Scorecard for 2023.

Summary of Market Performance

The macro environment in 2023 made it a challenging period for copper miners with the industry impacted by inflationary pressures, significant copper price volatility, supply chain disruptions, and a broader concern regarding global economic uncertainty. Over the course of the year, Capstone's share price closely tracked the volatility in the copper price, and our share price finished the year up 31%, compared with the copper price, which was up 1% over the same time period. Copper prices have increased slightly since the last quarter of 2023, largely driven by supply side constraints including production cuts at several large copper mines. This has been partially offset by concerns regarding near-term copper demand, with weak economic indicators out of China and the potential for higher interest rates for longer. However, tight inventories, extremely low spot treatment and refining charges for copper concentrate, and copper's critical role in supporting decarbonization and electrification efforts globally support copper fundamentals and a positive market backdrop.

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The following graph compares the cumulative TSR on $100 invested in Common Shares from January 1, 2019, through December 31, 2023 with the cumulative TSR for the same period of the Standard & Poor's 500 Index ("**S&P**")/TSX Composite Index and S&P/TSX Equal Weight Global Base Metals Index.



For the five-year period ended December 31, 2023, Capstone Copper's share price increased by 957.4%, outperforming the S&P/TSX Equal Weight Global Base Metals Index, which was up 61.1% over the same period.

Over the same timeframe:

- **Short-Term Incentive:** Results on the Corporate Scorecard (which drive the majority of short-term incentive payouts) have directionally aligned with share price performance.
- **PSUs:** Our PSUs, which are 100% linked to total shareholder return relative to a group of companies with similar production and commodity price exposure, have paid out in relation to our share price performance over the five-year timeframe (200% of target for 2019-2021, 200% of target for 2020-2022, and 200% of target for 2021-2023). PSUs also precisely track the underlying value of Capstone's share price, so there is 100% alignment with share price performance over the 5-year period.
- **RSUs:** RSUs precisely track the underlying value of Capstone's share price, so there is 100% alignment with share price performance over the 5-year period.
- **Stock Options:** Stock options are only valuable to recipients to the extent that share price appreciates. Given the strong share price appreciation in Capstone's stock over the last 5 years, most of our stock option grants over the last 5 years are in-the-money and align executive rewards with company performance.

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EXECUTIVE COMPENSATION COMPONENTS

The following table describes the different compensation components that make up total executive pay to meet the objectives of Capstone's compensation philosophy. The table provides a description of each component's key features and objectives:

Compensation Elements, Key Features and Objectives

Compensation Elements	Key Features	Objectives
Base Salary	• Set in the first quarter of each year for the 12-month period from January to December	• Attract and retain talented and experienced executives • Recognize individual experience, level of responsibility and performance
Annual Short-Term Incentive ("STI")	• Annual bonus based on the achievement of corporate and individual goals in the context of the overall performance of Capstone as set out in the Corporate Scorecard • Payments can be above (up to 200% for Corporate component and up to 150% for Individual component) or below target (to zero) depending on performance • NEO weightings of corporate and individual ratings vary by level	• Motivate and reward NEOs and other executives to meet Capstone's near-term objectives using a performance-based compensation program with objectively determined goals • Recognize individual contributions
Long-Term Incentive ("LTI")		
Performance Share Units ("PSU")	• Performance vesting: at the end of three years based on a three-year rolling performance rating • Performance ratings are obtained by measuring Capstone's TSR relative to a predetermined peer group using a 0-200% performance scale • Vested awards are intended to be settled with shares from treasury, however the Treasury Share Unit Plan allows for settlement in cash	• Ensure that long-term incentive plan payouts are directly linked to absolute and relative share price performance and the shareholder experience • Reward executives for industry out-performance, by measuring TSR performance to other copper producers
Stock Options	• Time vesting: ⅓ on first anniversary, ⅓ on second anniversary and ⅓ on third anniversary of the grant • Expire after five years • Issued with an exercise price equal to or above the weighted average price of the common shares traded on the TSX for the five days preceding the date of grant • Provide value to participants only if the share price increases above the exercise price before the end of the term	• Encourage participants to pursue opportunities that increase shareholder value over the long term • Only valuable to participants to the extent share price increases

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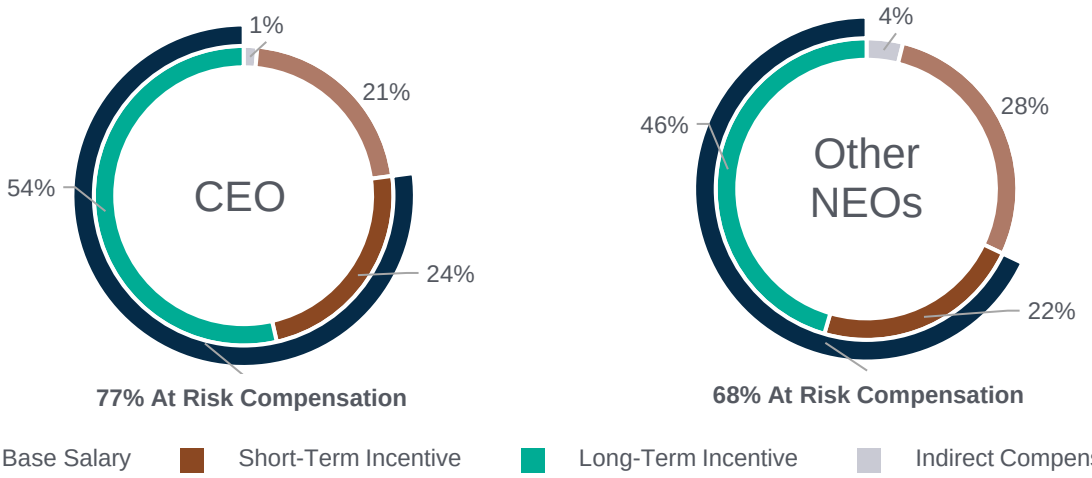
Compensation Elements	Key Features	Objectives
Restricted Share Units ("RSU")	• Time vesting: ⅓ after one year, ⅓ after two years and ⅓ after three years • Vested awards are intended to be settled with shares from treasury, however the Treasury Share Unit Plan allows for settlement in cash	• Promote retention • Provide immediate sense of ownership • Allow greater resiliency under all market conditions
Bonus Shares	• Common shares • No vesting or expiry date • Provide immediate value to participants	• Used in exceptional circumstances to attract talent or reward extraordinary performance
Benefits		
Registered Retirement Savings Plan (Canada)	• Annual personal contributions of up to 10% of base salary are 100% matched by Capstone	• Provide market competitive benefits to increase income security in retirement
Health and Other Benefits and Perquisites	• Health, dental, life, critical illness and disability insurance plans • Annual executive medical examinations • Employee Share Purchase Plan (Canada) allows employees to contribute up to 7% of base salary (to a maximum of $5,000) per calendar year to purchase Capstone shares; Capstone will match 50% of employee contributions • Relocation benefits for certain key hires	• Provide market competitive benefits to support a healthy and focused team • Promote ownership in Capstone shares

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Compensation Mix

The following charts demonstrate the target pay mix for Capstone's NEOs. A large portion of NEO pay is performance-based in the form of short-term annual incentive bonuses and long-term incentives.

The following charts show the target CEO and average NEO compensation mix for 2023.



Base Salary

Capstone's approach is to pay its executives a base salary that is competitive with those of other executive officers in similar companies. We believe that a competitive base salary, targeting the median of the peer group, is a necessary and balanced element to attract and retain talented and experienced executives. The base salary of each executive is reviewed annually and may be adjusted to reflect experience in the role, scope of the role, change in responsibility, performance, internal equity, retention risk and market competitive salary levels.

Capstone entered into employment agreements with its NEOs at the time of their appointment that set base salaries at an initial negotiated level considering the following factors:

- base salaries for comparable positions at similar companies;
- individual experience and skills of, and expected contribution from, each executive;
- roles and responsibilities of the executive; and
- base salaries of Capstone's other executives and other factors.

The following table outlines the annual base salaries for the CEO and other NEOs.

Executive	2023 Annual Base Salary
John MacKenzie CEO and Director	$910,000
Cashel Meagher President & COO	$650,000
Raman Randhawa Senior Vice President & CFO	$510,000
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	$434,200
Jerrold Annett Senior Vice President, Strategy & Capital Markets	$404,250

Annual Short-Term Incentive Bonus

The executive officers of Capstone have an opportunity to earn an annual STI bonus based on corporate and individual performance. Each year, the HR&C Committee recommends Capstone's Corporate Scorecard to the Board for their approval.

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The annual STI bonuses are based on a balanced mix of performance measures, which include:

1. **Corporate Scorecard Objectives,** which outline Capstone's annual objectives, including specific weightings, targets and criteria for measurement**.**
2. **Individual Objectives,** which vary for each NEO and consist of key initiatives and projects aligned with their role, their leadership and personal development and the overall strategic plans of Capstone.

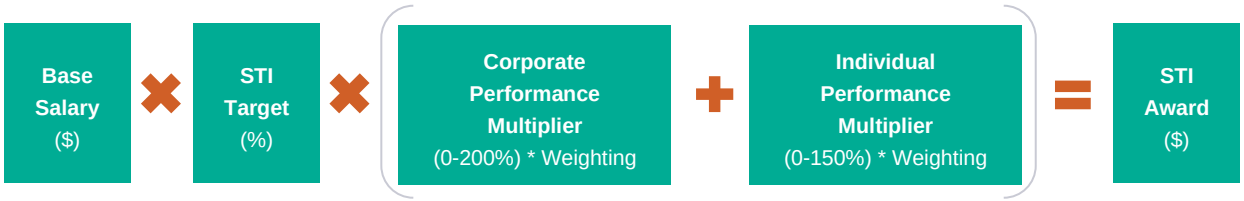
Short-Term Incentive Weightings

The following table outlines the performance measure weightings for the CEO and other NEOs.

Executive	Corporate Scorecard Objectives	Individual Objectives
John MacKenzie CEO and Director	80%	20%
Cashel Meagher President & COO	70%	30%
Raman Randhawa Senior Vice President & CFO	70%	30%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	70%	30%
Jerrold Annett Senior Vice President, Strategy & Capital Markets	70%	30%

STI awards are calculated based on actual performance results, which are subject to the performance multiplier ranges described below.

Short-Term Incentive Targets



Capstone's target STI awards are positioned to align total cash compensation within a competitive range of the market median, with the ability to earn compensation above median for very strong performance. The table below summarizes the STI targets for the CEO and other NEOs.

Executive	STI Target (% of Base Salary)
John MacKenzie CEO and Director	110%[42]
Cashel Meagher President & COO	90%
Raman Randhawa Senior Vice President & CFO	75%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	75%
Jerrold Annett Senior Vice President, Strategy & Capital Markets	75%

42 Effective January 1, 2023, Mr. MacKenzie's STI target was increased from 100% to 110% of base salary.

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Project Milestone Bonus

Through his previous employment relationship with Mantos Copper, Mr. MacKenzie is entitled to receive a project milestone bonus for the MVDP. Project milestone bonuses are established to incentivize and motivate certain key management employees' performance. The project milestone bonus is tied to retention, project cost and project schedule. Mr. MacKenzie is eligible for a project milestone bonus based on the following components: 1.125x annual base salary for retention bonus, 0-0.75x annual base salary for project cost bonus and 0-0.75x annual base salary for project schedule bonus.

Long-Term Incentive Plans

Capstone's long-term incentive plans are designed to align management's interests with those of shareholders through grants of PSUs, RSUs (collectively, "**Share Units**") and stock options. The value of earned Share Units, as well as vested stock options, fluctuate with the value of Capstone's shares. PSUs vest only when performance-based criteria are achieved over a three-year period, while RSUs vest ⅓ after one year, ⅓ after two years and ⅓ after three years.

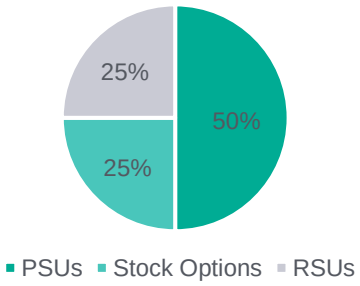
Our long-term incentive equity vehicles support Capstone's strategic business objectives in relation to performance, retention of critical talent, ability to manage costs as well as our ability to minimize the dilutive impact of stock options while remaining competitive within the industry.

Long-Term Incentive Mix

Senior executives receive a combination of PSUs, RSUs and stock options. The chart shows the senior executives' LTI mix and the substantial weighting on PSUs (50% of the overall mix), which are directly linked to Capstone's share price performance and the share price performance of a pre-determined group of base metals peers.

The LTI mix is reviewed on an annual basis to ensure it aligns with trends in compensation best practices, shareholder interests, and peer benchmarking while supporting attraction and retention objectives. The combination of measuring relative TSR in the PSUs, which are denominated in shares and reflect absolute and relative performance, and stock options, which only payout to the extent share price increases, allows us to reward industry and commodity price out performance, in a shareholder aligned way.

Executive LTI Mix



Long-Term Incentive Targets

Capstone's target LTI awards are positioned to align TDC within a competitive range of the market median with the ability to earn compensation above median for very strong performance. The table below summarizes the LTI targets for the CEO and other NEOs.

Executive	LTI Target (% of Base Salary)
John MacKenzie CEO and Director	250%
Cashel Meagher President & COO	170%
Raman Randhawa Senior Vice President & CFO	170%[43]
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	150%
Jerrold Annett Senior Vice President, Strategy & Capital Markets	150%

Capstone generally expects future LTI awards to be based on executive responsibilities, executive's past performance and anticipated future contribution, competitive market practices and terms and conditions of the employment agreements.

43 Effective January 1, 2023, Mr. Randhawa's LTI target was increased from 150% to 170% of base salary.

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Security Based Compensation Plans

Capstone's Incentive Share Option and Bonus Share Plan (the "**Option Plan**") and Capstone's Treasury Share Unit Plan (the "**Treasury Share Unit Plan**") (collectively the "**Security Based Compensation Plans**") provide for the issuance of options or share units to a maximum of 10% of Capstone's issued and outstanding Common Shares (subject to standard anti-dilution adjustments). The **Option Plan** allows for the issuance of up to 500,000 Bonus Shares in any one calendar year to employees or non-employee directors of Capstone or any of its subsidiaries.

The **Security Based Compensation Plans** are considered "rolling" plans as the number of shares available for issuance under the **Security Based Compensation Plans** increases with the number of our issued and outstanding shares. The **Security Based Compensation Plans** are also considered "evergreen" plans because when: (a) an option or share unit is exercised or redeemed, additional shares become available for subsequent grants under the **Security Based Compensation Plans** because each exercise or redemption reduces the number of shares that are currently covered by options or share units and increases the outstanding share capital of Capstone; and (b) an option or share unit expires or otherwise terminates for any reason without having been exercised or redeemed in full, the number of Common Shares reserved for issuance under that expired or terminated option or share unit again becomes available for the purpose of the **Security Based Compensation Plans**. Any option or share unit outstanding when the **Security Based Compensation Plans** are terminated will remain in effect until they are exercised, expired, or redeemed.

Incentive Stock Options & Bonus Shares

Stock option grants and bonus shares under the **Option Plan** are used to attract and retain executives and to give them an incentive to participate in the long-term development of Capstone and increase shareholder value.

Capstone's **Option Plan** includes the following key features and practices:

- A double-trigger Change of Control provision;
- No financial assistance is provided to participants for the purpose of exercising or settling equity awards;
- For the past 3 years, our CEO's stock options have had a vesting schedule of 1/3 on the first anniversary, 1/3 on the second anniversary and 1/3 on the third anniversary of the grant date;
- For the past 3 years, our CEO has received an annual grant comprised of 50% PSUs, 25% RSUs and 25% stock options;
- Our Clawback Policy applies to equity awards;
- Capstone has not re-priced stock options in the past 3 years;
- A Non-Employee Director Participation limit, which includes bonus shares, with an annual maximum of $150,000 in grant value per director, provided that the total value of stock options issuable to any one non-employee director in any one year period shall not exceed $100,000; and
- The full Option Plan can be found on under the Company's profile on SEDAR+ at *www.sedarplus.ca*.

Under our **Option Plan**, (a) stock options in favor of any one individual may not exceed 5% of the issued and outstanding Common Shares in any one year period, (b) the maximum number of stock options that any employee or non-employee director of the Company or its subsidiaries may hold is stock options to acquire up to 5% of the outstanding number of issued shares of the Company at the time of granting, (c) the maximum number of Common Shares issuable to Insiders pursuant to the Option Plan, together with the maximum number of Common Shares issuable to Insiders pursuant to all other Security Based Compensation Plans, at any time may not exceed 10% of issued and outstanding Common Shares, (d) the maximum number of Common Shares issued to Insiders pursuant to the Option Plan, together with the maximum number of Common Shares issued to Insiders pursuant to all other Security Based Compensation Plans, within a one year period, may not exceed 10% of the issued and outstanding Common Shares, (e) no stock option is transferable by the optionee other than by will or the laws of descent and distribution, (f) a stock option is exercisable during the lifetime of the optionee only by such optionee, (g) the maximum term of each stock option is ten years, with the vesting period determined at the discretion of the Board, (h) the minimum exercise price for a stock option is the volume weighted average trading price of the Common Shares on the TSX calculated by dividing the total value by the total volume of Common Shares traded, for the 5 trading days immediately preceding the granting of the option, (i) subject to the terms of an option holder's written employment agreement, in the event an option holder's employment is terminated for cause or from an order made by a regulatory authority, stock options that have not vested shall be forfeited immediately, otherwise, after 30 days from the date the termination notice is delivered and (j) subject to the terms of a participant's written employment agreement, in the event an option holder's employment is terminated due to death, stock options that have not vested shall be forfeited on the one year anniversary of the option holder's death. As at December 31, 2023, there were a total of 11,563,349 Common Shares reserved for issuance under the Option Plan, with 3,542,343 stock options issued and outstanding (with the underlying Common Shares representing approximately 0.5% of Common Shares),

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leaving an additional 8,021,006 stock options available for grant (with the underlying Common Shares representing approximately 1.2% of Common Shares).

The Option Plan may be amended, modified or terminated by the Board without approval of shareholders of Capstone, including, without limiting the generality of the foregoing: (i) amendments of a "housekeeping" nature, (ii) amendments necessary to comply with the provisions of applicable law, (iii) amendments which increase the exercise price of an option, (iv) expansion of the scope of persons eligible to participate, (v) amendments respecting administration of the Option Plan, (vi) amendments to the vesting provisions of the Option Plan or any options, (vii) amendments to the early termination provisions, provided such amendment does not entail an extension beyond the original expiry date of such option, (viii) to add or change provisions relating to any form of financial assistance provided by Capstone, and (ix) to add a cashless exercise feature to any option. Provided however that such amendment, suspension or termination must be in accordance with applicable laws and the rules of any securities exchange on which Capstone has listed or posted its securities for trading, and, the following amendments require shareholder approval: (i) increase in the maximum number of Common Shares issuable under the Option Plan, (ii) amendments which reduce the exercise price of an option (except pursuant to customary permitted adjustments), (iii) amendments to the assignment or transferability provisions, (iv) amendments extending the term of an option beyond its original expiry date, except in case of an extension due to a black-out period, (v) amendments to the amendment provisions, (vi) any amendment to the number of Equity Awards (as defined in the Option Plan) which may be granted to non-employee directors and (vii) amendments required to be approved by shareholders under applicable law. Where shareholder approval is sought for amendments under clauses (ii) and (iv) above, the votes attached to Common Shares held directly or indirectly by insiders who would benefit from the amendment will be excluded.

In no case will an Option be exercisable later than the Expiry Date (as defined in the Option Plan) of such Option fixed by the Board at the time the stock option is awarded to the Option Holder (as defined in the Option Plan); provided, however, that it would not result in the imposition of an additional tax under section 409A of the United States of America Internal Revenue Code of 1986, as amended, if the term of an Option expires during a Blackout Period (as defined in the Option Plan) or within 10 business days after the date on which the Blackout Period ends, then the term of such stock option shall be extended to the date which is 10 business days after such date on which the Blackout Period ends.

The following table sets out information with respect to compensation plans under which equity securities of Capstone are authorized for issuance as at December 31, 2023.

Plan Category	No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)[1]	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($) (b)	Number of Securities Remaining Available for Future Issuances Under Equity Compensation Plans (excluding securities reflected in (a)) (c)[2]
Equity Compensation Plans Approved by Security Holders	6,272,171 0.9%	3.344	10,222,594 1.47%
Equity Compensation Plans Not Approved by Security Holders	-	-	-
Total	6,272,171 0.9%	3.344	10,222,594 1.47%

(1) Reflects the number of Common Shares reserved for issuance under the Security Based Compensation Plans as of December 31, 2023 relative to the number of issued and outstanding Common Shares as of December 31, 2023.

(2) Reflects the number of Common Shares remaining available for future issuance granted under the Security Based Compensation Plans as of December 31, 2023, and is based on 10% of the number of Common Shares issued and outstanding as of December 31, 2023.

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In accordance with s. 613(d) of the TSX Company Manual, the following table presents the annual burn rate of each of our security-based compensation arrangements for the three most recently completed financial years:

	2021 Burn Rate	2022 Burn Rate	2023 Burn Rate
Option Plan	0.29%	0.17%	0.13%
Treasury Share Unit Plan	0.23%	0.15%	0.12%

Stock options to purchase securities of Capstone may be granted to its directors, officers, employees and consultants on terms and conditions acceptable to the regulatory authorities in Canada.

Bonus shares allow for more ownership in Capstone by management and provide additional incentives for employees to remain with us. The bonus shares are also used as an incentive tool to attract new employees to Capstone. We may issue up to 500,000 Common Shares annually for bonus compensation in lieu of cash for annual or long-term bonus plans. In 2022, 97,317 bonus shares were issued as new hire incentives. No bonus shares were awarded to any named executive officer in 2021 and 2023. Any bonus shares issued are subject to approval by the Board.

Treasury Share Unit Plan – RSUs and PSUs

The objectives of the **Treasury Share Unit Plan** are to:

- promote further alignment of interests between executives and shareholders of Capstone;
- associate a portion of executives' compensation with the returns achieved by shareholders of Capstone; and
- attract and retain executives with the knowledge, experience and expertise required by Capstone.

The **Treasury Share Unit Plan** provides that the HR&C Committee may award grants of share units (PSUs or RSUs) to individuals employed by the Company or any of the Company's direct or indirect subsidiaries, partnerships, trusts or other controlled entities who, by the nature of his/her position or job is, in a position to contribute to the success of the Company ("**Eligible Persons**"). A PSU is a right to receive the value of a Common Share that vests at the end of three years based on relative TSR performance. An RSU is a right to receive the value of a Common Share that vests ⅓ after one year, ⅓ after two years and ⅓ after three years.

The **Treasury Share Unit Plan** provides for the grant of Treasury Share Units (as defined below), together with all other Security Based Compensation Plans of the Company may not exceed 10% of the issued and outstanding Common Shares from time to time, provided that, the maximum number of Common Shares that may be issued pursuant to Treasury Share Units made under the Treasury Share Unit Plan may not exceed 3.5% of the issued and outstanding Common Shares from time to time (subject to standard anti-dilution adjustments) to Eligible Persons.

The maximum number of Common Shares: (i) issued to Insiders (as defined in the Treasury Share Unit Plan) within any one-year period, and (ii) issuable to Insiders, at any time, under the Treasury Share Unit Plan, or when combined with all Capstone's other Security Based Compensation Plans shall not exceed 10% of issued and outstanding Common Shares from time to time.

Subject to the terms of a participant's written employment agreement, in the event a participant's employment is terminated with cause, PSUs or RSUs that have not vested shall be forfeited immediately. In the event employment is terminated without cause of death or disability, PSUs that have not vested shall vest in accordance with the grant agreement governing the PSU, and RSUs that have not vested shall vest in accordance with the formula described in the Treasury Share Unit Plan, PSUs or RSUs that have not vested shall be forfeited immediately.

In the event of a Change of Control (as defined in the Treasury Share Unit Plan) prior to the end of the vesting period, the HR&C Committee may determine, in its sole discretion:

(a) that for any Treasury Share Unit, there shall be substituted an entitlement (in the form of notional units or other contingent rights) to receive cash or such securities into which Common Shares are changed, or are convertible or exchangeable, on a basis proportionate to the number of Common Shares to which the participant would be entitled if the Treasury Share Units immediately prior to the effective time of the Change of Control were Common Shares, or some other appropriate basis; or

(b) that all Treasury Share Units that have not previously vested shall vest on the effective date of the Change of Control, provided that, in the case of PSUs, the total number of Treasury Share Units shall be the greater of: (i) the number of PSUs

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specified in the grant agreement without giving effect to any potential increase or decrease in such number as a result of graduated performance conditions permitting vesting of more or less than 100% of the PSUs or (ii) the number of PSUs specified in the grant agreement giving effect to any increase or decrease in such number as a result of graduated performance conditions of the PSUs that have been met. Treasury Share Units that vest in accordance with Section 5.2 of the Treasury Share Unit Plan shall be settled in the same manner as paragraph (a) above.

Except upon the death of a Participant, PSUs and RSUs (together, "**Treasury Share Units**") may not be transferred or assigned.

The Treasury Share Unit Plan may be amended, modified or terminated by the Board without approval of shareholders of Capstone, provided that no amendment to the Treasury Share Unit Plan (or grants thereunder) may be made without the consent of a participant if it adversely alters or impairs the rights of the participant in respect of any grant previously granted, except for purposes of compliance with applicable law. For greater certainty, the following amendments require shareholder approval: (i) increase in the maximum number of Common Shares issuable, (ii) increase or remove the Insider participation limits, (iii) extend the maximum term of grant, except in case of an extension due to a black-out period, (iv) amend the assignment provisions, (v) include other types of equity compensation involving the issuance of Common Shares and (vi) amendments to the amendment provisions to grant additional powers to the Board to amend the Treasury Share Unit Plan without shareholder approval. For greater certainty and without limiting the foregoing, shareholder approval shall not be required for the following amendments and the Board may make such changes without shareholder approval, subject to TSX approval: (i) amendments of a "housekeeping" nature, (ii) a change to the vesting provisions of any grants, (iii) a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant or (iv) amendments to the provisions relating to a Change of Control (as defined in the Treasury Share Unit Plan).

If Treasury Share Units are to be settled within a Blackout Period (as defined in the Treasury Share Unit Plan), such settlement shall be postponed until the earlier of the 6th Trading Day following the end of such Blackout Period and the latest date for settlement of the Participant's Share Units as determined in accordance with Section 6.1, and the Market Value of any RSUs or PSUs being settled at the Participant's option in cash will be determined as of the earlier of the date five Trading Days following the end of such Black-out Period and the day prior to the settlement date.

Under the Treasury Share Unit Plan, Market Value with respect to any particular date is calculated as the volume weighted average trading price per Common Share on the TSX during the immediately preceding five days on which the shares were actually traded, or the value established by the HR&C Committee of the Board acting in good faith.

The maximum expiry date of a Treasury Share Unit is the earlier of the date which is the tenth anniversary of the date on which such Treasury Share Unit is granted, or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which Capstone is subject, including the TSX.

Subject to certain exceptions, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Common Shares to shareholders of record as of a record date occurring during the period from the grant date to the date of settlement of the RSUs or PSUs granted, a number of dividend equivalent RSUs or PSUs, as the case may be, shall be equal to the number of whole Treasury Share Units (rounding down) with a Market Value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Common Share multiplied by (ii) the number of RSUs or PSUs subject to the grant (including dividend equivalent RSUs or PSUs previously granted in connection with such RSUs or PSUs) as of the record date for the dividend. The additional RSUs or PSUs shall be subject to the same terms and conditions, including vesting and settlement terms, as the corresponding RSUs or PSUs.

The full Treasury Share Unit Plan can be found on under the Company's profile on SEDAR+ at *www.sedarplus.ca*.

PSU Performance

PSU award levels are determined by TSR, which is the return on investment including share price return and dividends relative to the TSR of other companies in the PSU comparator group. Capstone's performance is measured on a 3-year rolling basis against the predetermined base metals peer group and PSU award levels are based on this same 3-year period.

For the 3-years ending December 31, 2023, Capstone's TSR was 171.0% compared to the average total return of the peer group of 41.2%, which was at the 100th percentile in the peer group and resulted in a payout factor of 200% of target for the 2021 PSUs. The 2021 peer group comprised the following companies[44]:

44 Turquoise Hill Resources, OZ Minerals Ltd. and Copper Mountain Mining Corp. were removed due to takeover bids and/or acquisitions.

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- Amerigo Resources Ltd.;
- Antofagasta PLC;
- Atalaya Mining PLC;
- Ero Copper Corp.;
- First Quantum Minerals Ltd.;
- Freeport-McMoRan Inc.;
- Hudbay Minerals Inc.;
- Lundin Mining Corp.;
- Sandfire Resources Ltd;
- Southern Copper Corp.;
- Taseko Mines Ltd.; and
- Teck Resources Ltd.

The following table summarizes the PSU performance payouts for the past 3 years:

PSU Grant Year	PSU Settlement Year	PSU Performance Payout
2019	2021	200%
2020	2022	200%
2021	2023	200%

The following table shows the PSU performance ranges and associated payout percentages. We believe we have a more requiring performance scale than most companies, in that a 200% payout is only achievable if Capstone's share price performance exceeds all of its peers – fully aligned with shareholder interests. Board discretion can be applied to the percentage payout range as required.

PSU Performance (Relative TSR)	Payout
Performance <25th percentile	0%
Performance at 25th percentile	50% of target
Performance at 37.5th percentile	75% of target
Performance at median	100% of target
Performance at 62.5th percentile	125% of target
Performance at 75th percentile	150% of target
Performance at 87.5th percentile	175% of target
Performance at 100th percentile	200% of target

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Outstanding Share-Based and Option-Based Awards

The following table sets out all share-based and option-based awards outstanding for each NEO at December 31, 2023.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[45]	Value of Unexercised In-The-Money Options ($)[46]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[47]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
John MacKenzie	168,517	5.08	Jun 8, 2027	230,868	499,904	3,224,381	168,693
	183,741	6.00	Feb 22, 2028	82,683			
Cashel Meagher	92,758	6.17	Mar 2, 2026	25,972	340,533	2,196,438	262,025
	81,851	6.97	Mar 7, 2027	-			
	89,246	6.00	Feb 22, 2028	40,161			
Raman Randhawa	83,483	3.90	Mar 2, 2026	212,882	343,337	2,214,524	217,894
	55,755	6.97	Mar 7, 2027	-			
	70,024	6.00	Feb 22, 2028	31,511			
Wendy King	366,555	0.70	Feb 24, 2025	2,107,691	290,897	1,876,286	194,938
	75,532	3.90	Mar 2, 2026	192,607			
	48,244	6.97	Mar 7, 2027	-			
	52,603	6.00	Feb 22, 2028	23,671			
Jerrold Annett	69,569	3.90	Mar 2, 2026	177,401	268,826	1,733,928	179,607
	44,489	6.97	Mar 7, 2027	-			
	48,974	6.00	Feb 22, 2028	22,038			

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value Vested During the Year ($)[48]	Share-Based Awards - Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
John MacKenzie	78,641	-	874,874
Cashel Meagher	14,842	-	512,460
Raman Randhawa	767,541	4,889,430[49]	340,808
Wendy King	664,278	4,210,343[49]	280,385
Jerrold Annett	422,862	2,540,814[49]	279,236

45 All options vest one-third per year commencing on the first anniversary of the award.
46 Calculated based on the difference between the market price of our shares on the TSX on December 29, 2023, which was $6.45, and the exercise price of the option.
47 Market value based on the closing price of Capstone's shares on the TSX on December 29, 2023 ($6.45), PSU multiplier is 2.00x target for 2023 and 1.0x target assumed for all other years.
48 Total value that would have been realized if the stock options had been exercised on the vesting date.
49 Calculated using the 5-day Volume-Weighted Average Price of the Common Shares on the TSX on February 24, 2023 of $5.97, the date on which the Share Units were settled.

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Termination and Change of Control Benefits

We have entered into employment agreements with each of our NEOs which were negotiated at the time of appointment to align with market. Under the terms of the employment agreements, our NEOs are entitled to compensation, based on their remuneration at the time, in the event of:

- termination without cause; or
- a change of control, if the NEO is terminated without cause or resigns their employment for Good Reason (as defined below) within 12 months of the change of control.

A change of control, in general, occurs when a person or group of persons acting together through a transaction or series of transactions beneficially acquires or exercises control or direction over 50% or more of the Common Shares. The events selected for triggering payment in connection with termination without cause and on a change of control were determined by the HR&C Committee, with advice from independent consultants, based on industry standards at the time the agreements were entered into with each NEO.

"Good Reason", in general, means the occurrence, within 12 months of a Change of Control, of any of (i) a meaningful or detrimental change in the employee's position, duties or responsibilities; or (ii) a significant variance in the employee's performance requirements or working conditions; or (iii) a reduction in the employee's salary; or (iv) failure by the employer to increase the employee's compensation in a consistent manner; or (v) a requirement that the employee relocates to a location greater than forty kilometers from the primary work location; or (vi) a significant or material reduction in the provision and value of the employee's employment arrangements; or (vii) any action or event that would constitute constructive dismissal.

"Average Bonus Payment" means the amounts paid to the employee under the Annual Incentive Plan during the last three completed Bonus Years. However, if the employee has not been eligible to be paid under the Annual Incentive Plan for at least three Bonus Years, then the averages described above shall be calculated as (i) the average of the amounts paid to the employee under the Annual Incentive Plan during the last two completed Bonus Years, if the employee has been eligible to be paid under the Annual Incentive Plan for only the last two completed Bonus Years, or the last one completed Bonus Year, if the employee has been eligible to be paid under the Annual Incentive Plan for only the last one completed Bonus Year, as the case may be; or (ii) if, as of the last day of work, the employer has never paid an amount to the employee under the Annual Incentive Plan because the employee's eligibility to be paid has been for less than one complete Bonus Year or because the employer has not yet made an award under the Annual Incentive Plan in respect of the employee's one completed Bonus Year, then the average shall be calculated as 25% of the employee's salary as of the last day of work (for the CEO, pro-rated for the portion of the Bonus Year that has passed to the date of the last day of work); and for clarity, if the employee was eligible to be paid an award under the Annual Incentive Plan during a Bonus Year but the employer did not make an award to the employee, the amount paid in respect of that Bonus Year (zero) shall be included for the purpose of determining the average.

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Summary of Termination and Change of Control Benefits

The following table outlines the NEO termination and change of control benefits that were effective as at December 31, 2023 and remain effective, unamended:

Termination Type	Severance	Bonus	LTI[50]
Termination without Cause	Lump sum payment of salary (18-24 months[51] for SVP & CFO, 18 months for SVP, Strategy & Capital Markets, and 24 months for all other NEOs)	• Average bonus paid in the last 3 years (1.5-2x[52] for SVP & CFO, 1.5x for SVP, Strategy & Capital Markets, and 2x for all other NEOs); plus • A prorated amount for the year in which the termination occurs	• PSUs are forfeited[53] • Pro-rated amount of RSUs vest based on service[53] • Vested stock options must be exercised within 30 days or by the end of the original term (if sooner)[53] • Unvested stock options are cancelled[53]
Change of Control *(and NEO is terminated without cause or resigns their employment for Good Reason within 12 months)*	Lump sum payment of salary (18 months for SVP, Strategy & Capital Markets, and 24 months for all NEOs)	• Average bonus paid in the last 3 years (1.5x for SVP, Strategy & Capital Markets, and 2x for all NEOs); plus • A prorated amount for the year in which the termination occurs	• PSUs immediately vest • RSUs immediately vest • Vested stock options remain exercisable until original expiration date • Unvested stock options vest immediately and remain exercisable until original expiration date
Resignation or Retirement	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested stock options must be exercised within 30 days or by the end of the original term (if sooner) • Unvested stock options are cancelled
Termination for Cause	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested and unvested stock options are cancelled

50 Equity plans allow for Board discretion.
51 In the event of a termination without cause, Mr. Randhawa shall receive a lump sum payment equal to 18 months' Salary plus 1 additional months' Salary for each completed year of service, up to a maximum of 24 months' Salary.
52 In the event of a termination without cause, Mr. Randhawa shall receive an amount equivalent to 1.5 times plus 1 additional month for each completed year of service, up to a maximum of 2 times, the Average Bonus Payment.
53 Mr. MacKenzie's Employment Agreement specifies that in the event of a termination without cause, unvested stock options, RSUs and PSUs granted before December 31, 2024 shall remain in full force and effect with the original terms and continue to vest in accordance with the original vesting schedule and performance conditions. Any unvested stock options, RSUs and PSUs granted after December 31, 2024 shall be forfeited immediately.

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The following table provides the total value of severance, incremental payments, payables and any other termination benefits that would have been paid to each NEO, had employment been terminated on December 31, 2023 under various termination scenarios.

Name		Termination Without Cause ($)[54]	Change of Control ($)	Resignation or Retirement ($)	Termination for Cause ($)
John MacKenzie	*Salary*	1,820,000	1,820,000	-	-
	Bonus	2,480,436	2,480,436	-	-
	Equity	587,111	3,460,977	-	-
	Other	-	-	-	-
Cashel Meagher	*Salary*	1,300,000	1,300,000	-	-
	Bonus	1,519,628	1,519,628	-	-
	Equity	376,570	2,785,514	-	-
	Other	-	-	-	-
Raman Randhawa	*Salary*	977,500	1,020,000	-	-
	Bonus	1,025,903	1,025,903	-	-
	Equity	292,495	2,316,996	-	-
	Other	-	9,486	-	-
Wendy King	*Salary*	868,400	868,400	-	-
	Bonus	872,999	872,999	-	-
	Equity	242,243	1,964,161	-	-
	Other	-	9,508	-	-
Jerrold Annett	*Salary*	606,375	606,375	-	-
	Bonus	695,025	695,025	-	-
	Equity	224,118	1,815,101	-	-
	Other	-	-	-	-

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54 Equity value is based on the termination and change of control benefits as outlined in the previous table.

DIRECTOR COMPENSATION

Director Compensation Objectives

The goals of the Board's compensation program are to:

- reflect the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board;
- reflect director compensation consistent with companies in Capstone's compensation peer group; and
- align the interests of Capstone's directors with those of its shareholders.

Directors' compensation is reviewed in consultation with a third-party consulting firm and the same peer group is used as for the NEO and other senior executives' compensation review.

Director Compensation Components

Directors' compensation for service on the Board is composed of:

- a cash retainer; and
- an equity retainer.

Directors who are also employees of Capstone do not receive any compensation for their service as a director of Capstone.

The HR&C Committee reviews Board compensation on a regular basis and recommends revisions to the annual retainers paid to the Board when warranted. In addition, the Board may award special remuneration to any director undertaking any special services on Capstone's behalf other than services ordinarily required of a director.

Directors' Compensation – Cash Retainer

Directors receive an annual cash retainer and the Board Chair and Lead Director receive a higher amount for their increased responsibilities. Committee chairs receive an additional cash amount in addition to their annual cash retainer. The following table summarizes the 2023 annual cash retainers.

Level	2023 ($)
Board Chair	125,000
Lead Director	85,000
Board Member	65,000

The following table summarizes the 2023 annual additional cash retainers for committee chairs.

Level	2023 ($)
Audit Committee Chair	25,000
HR&C Committee Chair	20,000
GNS Committee Chair	15,000
TOP Committee Chair	15,000

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Directors' Compensation – Equity Retainer

Directors' equity retainers are positioned to align total direct compensation within a competitive range of the market median. The below table summarizes the equity retainers for the Board Chair and Board Members.

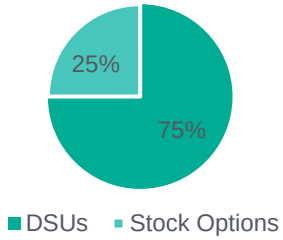
Level	2023 ($)
Board Chair	200,000
Lead Director	135,000
Board Member	135,000

Equity Retainer Mix

Capstone grants a combination of 75% Deferred Share Units ("**DSUs**") and 25% stock options to align the interests of independent directors with those of shareholders. The equity mix is reviewed on an annual basis to ensure it aligns with market, shareholder interests and supports retention.

The LTI mix is reviewed on an annual basis to ensure it aligns with trends in compensation best practices, shareholder interests and peer benchmarking.

Director Equity Retainer Mix



2023 Director Compensation Table

The following table sets out all amounts of compensation provided to our non-executive directors for the year ended December 31, 2023.

Name of Director	Fees Earned ($)	Share-Based Awards ($)[55]	Option-Based Awards ($)[56]	Non-Equity Incentive Plan Awards ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Darren Pylot[57]	330,694[58]	150,000	50,000	-	-	-	530,694
Peter Meredith[59]	90,934	101,250	33,750	-	-	-	225,934
Alison Baker	90,000	101,250	33,750	-	-	-	225,000
Anne Giardini	80,000	101,250	33,750	-	-	-	215,000
Patricia Palacios[60]	43,036	75,000	25,000	-	-	-	143,036
Robert Gallagher	80,000	101,250	33,750	-	-	-	215,000

55 Share-based awards are granted in the form of DSUs. In addition, independent directors may elect to receive up to 100% of their fees for serving as a director in the form of DSUs.
56 Option-based compensation is valued using the Black-Scholes option pricing model. Awards vest one-third per year commencing on the first anniversary of the award.
57 Mr. Pylot transitioned from Executive Chair to Board Chair effective May 3, 2023.
58 Includes $170,455 in salary and $77,478 in benefit and vacation costs earned by Mr. Pylot during his time spent as Executive Chair from January 1, 2023 to May 3, 2023.
59 Mr. Meredith was appointed Lead Director effective May 8, 2023.
60 Ms. Palacios was appointed to the Board effective May 3, 2023.

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Name of Director	Fees Earned ($)	Share-Based Awards ($)[55]	Option-Based Awards ($)[56]	Non-Equity Incentive Plan Awards ($)	Pension Value ($)	All Other Compensat-ion ($)	Total ($)
George Brack[61]	36,923	101,250	33,750	-	-	-	171,923
Istvan Zollei[62]	22,143	33,750	11,250	-	-	-	67,143
Gordon Bell[63]	-	-	-	-	-	-	-

Directors' Deferred Share Unit Plan

Capstone has a DSU Plan to align the interests of non-executive directors with those of Capstone's shareholders and to provide a compensation system for eligible directors that, together with the other director compensation mechanisms of Capstone, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board.

Under the DSU Plan, independent directors may elect to receive up to 100% of their fees for serving as a director in the form of DSUs. Directors receiving DSUs will be credited with additional DSUs whenever cash dividends are paid on Common Shares. While DSUs received by directors vest immediately, directors will only be able to redeem their DSUs after they cease to be directors of Capstone.

The Board may amend the DSU Plan as it deems necessary or appropriate or terminate the DSU Plan at any time, but no such amendment or termination will, without the consent of the eligible director or unless required by law, adversely affect the rights of an eligible director with respect to any amount in respect of which an eligible director has then elected to receive DSUs or DSUs which the eligible director has been granted under the DSU Plan.

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61 Mr. Brack resigned from the Board effective May 7, 2023.
62 Mr. Zollei resigned from the Board effective May 3, 2023.
63 Mr. Bell was appointed to the Board effective January 8, 2024.

Outstanding Share-Based and Option-Based Awards

The following table sets out all share-based and option-based awards outstanding for each of our non-executive directors at December 31, 2023.

	Option-Based Awards				Share-Based Awards		
Name of Director	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[64]	Value of Unexercised In-The-Money Options ($)[65]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[66]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Darren Pylot[67]	283,954	3.90	Mar 2, 2026	724,083	651,207	4,200,285	704,953
	77,037	6.97	Mar 7, 2027	-			
	16,154	6.00	Feb 22, 2028	7,269			
Peter Meredith[68]	19,167	3.90	Mar 2, 2026	48,876	-	-	2,024,965
	10,400	6.97	Mar 7, 2027	-			
	10,904	6.00	Feb 22, 2028	4,907			
Alison Baker	16,248	3.47	Nov 7, 2027	48,419	-	-	262,302
	10,904	6.00	Feb 22, 2028	4,907			
Anne Giardini	9,564	5.79	Mar 2, 2026	6,312	-	-	286,096
	10,400	6.97	Mar 7, 2027	-			
	10,904	6.00	Feb 22, 2028	4,907			
Patricia Palacios[69]	7,656	6.33	May 9, 2028	919	-	-	76,549
Robert Gallagher	72,394	0.70	Feb 24, 2025	416,266	-	-	3,371,783
	19,167	3.90	Mar 2, 2026	48,876			
	10,400	6.97	Mar 7, 2027	-			
	10,904	6.00	Feb 22, 2028	4,907			
George Brack[70]	28,396	3.90	May 7, 2024	72,410	-	-	-
	15,408	6.97	May 7, 2024	-			
	10,904	6.00	May 7, 2024	4,907			
Istvan Zollei[71]	-	-	-	-	-	-	-
Gordon Bell[72]	-	-	-	-	-	-	-

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards for each of our non-executive directors vested or earned during the year ended December 31, 2023.

64 All options (except otherwise noted) granted vest one-third per year commencing on the first anniversary of the award.
65 Calculated based on the difference between the market price of our shares on the TSX on December 29, 2023, which was $6.45, and the exercise price of the options.
66 Market value based on the closing price of Capstone's shares on the TSX on December 29, 2023 ($6.45).
67 Mr. Pylot transitioned from Executive Chair to Board Chair effective May 3, 2023. Prior to becoming Executive Chair, he held the role of CEO and some of his outstanding awards are from his employment as Executive Chair and CEO.
68 Mr. Meredith was appointed Lead Director effective May 8, 2023.
69 Ms. Palacios was appointed to the Board effective May 3, 2023.
70 Mr. Brack resigned from the Board effective May 7, 2023.
71 Mr. Zollei resigned from the Board effective May 3, 2023.
72 Mr. Bell was appointed to the Board effective January 8, 2024.

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Name of Director	Option-Based Awards - Value Vested During the Year ($)[73]	Share-Based Awards - Value Vested During the Year ($)[74,75]	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
Darren Pylot[76]	2,659,647	17,127,188	-
Peter Meredith[77]	193,849	101,250	-
Alison Baker	16,302	101,250	-
Anne Giardini	2,742	101,250	-
Patricia Palacios[78]	-	75,000	-
Robert Gallagher	193,849	101,250	-
George Brack[79]	287,187	101,250	-
Istvan Zollei[80]	16,302	33,750	-
Gordon Bell[81]	-	-	-

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73 Total value that would have been realized if the stock options had been exercised on the vesting date.
74 The amount represents the aggregate dollar value of the share units as of the vesting date. As directors' DSUs vest immediately, the market value for DSUs was as of the grant date.
75 DSUs vest on the grant date but are not redeemable until the Director ceases to hold office. The value of the DSUs is based on the fair market value on the redemption date(s), accordingly, the amount of the final payout will not be known until that time.
76 Mr. Pylot transitioned from Executive Chair to Board Chair effective May 3, 2023. Prior to becoming Executive Chair, he held the role of CEO and some of his outstanding awards are from his employment as Executive Chair and CEO.
77 Mr. Meredith was appointed Lead Director effective May 8, 2023.
78 Ms. Palacios was appointed to the Board effective May 3, 2023.
79 Mr. Brack resigned from the Board effective May 7, 2023.
80 Mr. Zollei resigned from the Board effective May 3, 2023.
81 Mr. Bell was appointed to the Board effective January 8, 2024.

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SCHEDULE "A"

TREASURY SHARE UNIT PLAN
Effective February 23, 2021, as amended March 23, 2022

1. PREAMBLE AND DEFINITIONS

1.1 **Title**

The Plan described in this document shall be called the "Capstone Copper Corp. Treasury Share Unit Plan".

1.2 **Purpose of the Plan**

The purposes of the Plan are:

(a) to promote a further alignment of interests between officers, employees and other eligible service providers and the shareholders of the Company;

(b) to associate a portion of the compensation payable to officers, employees and other eligible service providers with the returns achieved by shareholders of the Company; and

(c) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

1.3 **Definitions**

1.3.1 "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules.

1.3.2 "**Beneficiary**" means, subject to Applicable Law, an individual who has been designated by a Participant, in such form and manner as the Committee may determine, to receive benefits payable under the Plan upon the death of the Participant, or, where no such designation is validly in effect at the time of death, the Participant's legal representative.

1.3.3 "**Black-Out Period**" means a period of time imposed upon certain designated persons during which those persons may not trade in any securities of the Company pursuant to the Insider Trading Policy of the Company dated March 23, 2022, as it is amended or replaced from time-to-time,.

1.3.4 "**Board**" means the Board of Directors of the Company.

1.3.5 "**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in Vancouver, British Columbia are authorized or required by law to close.

1.3.6 "**Capstone Entity**" means any of the Company's direct or indirect subsidiaries, partnerships, trusts or other controlled entities and "**Capstone Entities**" means all such entities collectively.

1.3.7 "**Cause**" in respect of a Participant means "just cause" "or "cause" for Termination by the Company or a Capstone Entity as determined under Applicable Law.

1.3.8 "**Change of Control**" means:

(a) the sale of all or substantially all of the Company's assets to another arm's length person not affiliated with the Company or any of the Company's affiliates;

(b) the acquisition or right to acquire shares of the Company as a result of which any person would beneficially own shares that would entitle the holders thereof to: (a) cast more than 50% of the votes attaching to all shares in the capital of the Company; or (b) more than 50% of the equity of the Company;

(c) the merger or consolidation of the Company with or into another person not affiliated with the Company in which the Company is not the surviving entity (except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated), or a reverse merger in which the Company is the surviving entity but in which 50% or more of each class of the issued and outstanding shares of the Company are transferred to beneficial holders different from those who held the shares immediately prior to the merger;

(d) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(e) as a result of or in connection with: (a) a contested election of directors; or (b) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or

(f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

1.3.9 "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

1.3.10 "**Committee**" means the Human Resources and Compensation Committee of the Board, or such other the committee of the Board as is designated by the Board to administer the Plan from time to time.

1.3.11 "**Company**" means Capstone Copper Corp., and any successor company whether by amalgamation, merger or otherwise.

1.3.12 "**Directors**" means the directors of the Company from time to time.

1.3.13 "**Disability**" means either:

(a) subject to (b) below, a Participant's physical or mental incapacity that prevents him/her from substantially fulfilling his/her duties and responsibilities on behalf of the Company or, if applicable, a Capstone Entity, as determined by the Committee in respect of which the Participant commences receiving, or is eligible to receive, disability benefits under the Company's or a Capstone Entity's long-term disability plan; or

(b) where a Participant has a written employment agreement with the Company or a Capstone Entity, "Disability" as defined in such employment agreement if applicable.

1.3.14 "**Disability Date**" means, in relation to a Participant, that date determined by the Committee to be the date on which the Participant experienced a Disability.

1.3.15 "**Elected Redemption Date**" means the date elected by a Participant, who is not a US Taxpayer, pursuant to Section 6.2(a) or, as applicable, the date elected by a US Taxpayer pursuant to Section 6.2(b).

1.3.16 "**Eligible Person**" means an individual Employed by the Company or any Capstone Entity who, by the nature of his/her position or job is, in the opinion of the Committee, in a position to contribute to the success of the Company.

1.3.17 "**Employed**" means, with respect to a Participant, that:

(a) he/she is rendering services to the Company or a Capstone Entity (excluding services exclusively as a Director), including as an officer or a Service Provider; or

(b) he/she is not actively rendering services to the Company or a Capstone Entity due to an approved leave of absence, maternity or parental leave or leave on account of Disability (provided, in the case of a US Taxpayer, that the Participant has not incurred a "Separation From Service", within the meaning of Section 409A of the Code), and "**Employment**" has the corresponding meaning.

For greater certainty, any determination of whether a Participant is Employed on a Vesting Date shall be made without regard to any period of notice, pay in lieu of notice (paid by way of lump sum or salary continuance), benefits

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continuance or other termination-related payments or benefits to which the Participant may be entitled pursuant to the common law or otherwise, subject only to the express minimum requirements of applicable employment standards legislation.

1.3.18 "**Expiry Date**" means the date on which the Share Unit expires.

1.3.19 "**Grant**" means a grant of Share Units made pursuant to Section 3.1.

1.3.20 "**Grant Agreement**" means an agreement between the Company, or a Capstone Entity, and a Participant under which a Grant is made, as contemplated by Section 3.1, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan.

1.3.21 "**Grant Date**" means the effective date of a Grant.

1.3.22 "**Grant Value**" means the dollar amount allocated to an Eligible Person in respect of a Grant as contemplated by Section 3.

1.3.23 "**Insider**" means an insider of the Company as defined in the rules of the Toronto Stock Exchange Company Manual for the purpose of security based compensation arrangements.

1.3.24 "**Market Value**" means, with respect to any particular date:

(a) the volume weighted average trading price per Share on the Stock Exchange during the immediately preceding five (5) Trading Days, or

(b) in any case in which clause (a) of this Section 1.3.24 does not apply, the value established by the Committee acting in good faith.

1.3.25 "**Participant**" has the meaning set forth in Section 3.2.1.

1.3.26 "**Performance Conditions**" means such financial, personal, operational or transaction-based performance criteria as may be determined by the Committee in respect of a Grant to any Participant or Participants and set out in a Grant Agreement. Performance Conditions may apply to the Company, a Capstone Entity, the Company and Capstone Entities as a whole, a business unit of the Company or group comprised of the Company and some Capstone Entities or a group of Capstone Entities, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target or milestone, to previous years' results or to a designated comparator group, or otherwise, and may incorporate multipliers or adjustments based on the achievement of any such performance criteria and result in the percentage of Vested PSUs in a Grant exceeding 100% of the PSUs initially determined in respect of such Grant pursuant to Section 3.2.2.

1.3.27 "**Performance Period**" means, with respect to PSUs, the period specified by the Committee for achievement of any applicable Performance Conditions as a condition to Vesting.

1.3.28 "**Plan**" means this Capstone Copper Corp. Treasury Share Unit Plan, including any schedules or appendices hereto, as may be amended from time to time.

1.3.29 "**PSU**" means a right, granted to a Participant in accordance with Section 3, to receive a Share that generally becomes Vested, if at all, subject to the attainment of certain Performance Conditions and satisfaction of such other conditions to Vesting, if any, as may be determined by the Committee (and, for greater certainty and where the context so requires, includes the PSUs of the Company that were exchanged for PSUs of Capstone Mining Corp., on the same terms and conditions except for a substitution of Company Shares for the common shares of Capstone Mining Corp. that were formerly the subject of the PSU, pursuant to the Arrangement Agreement dated November 30, 2021 between Capstone Mining Corp. and Mantos Copper (Bermuda) Limited).

1.3.30 "**Redemption Notice**" means a notice, submitted to the Company pursuant to which the Participant may elect to redeem Vested Share Units.

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1.3.31 "**RSU**" means a right granted to a Participant in accordance with Section 3, to receive a Share that generally becomes Vested, if at all, following a period of continuous Employment of the Participant with the Company or a Capstone Entity (and, for greater certainty and where the context so requires, includes the RSUs of the Company that were exchanged for RSUs of Capstone Mining Corp., on the same terms and conditions except for a substitution of Company Shares for the common shares of Capstone Mining Corp. that were formerly the subject of the RSU, pursuant to the Arrangement Agreement dated November 30, 2021 between Capstone Mining Corp. and Mantos Copper (Bermuda) Limited).

1.3.32 "**Security Based Compensation Arrangement**" means an option, option plan, security based appreciation right, employee unit purchase plan, restricted, performance of deferred unit plan, long-term incentive plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of Shares to one or more directors or officers of the Company or a Capstone Entity, current or past full-time or part-time employees of the Company or a Capstone Entity, Insiders or consultants of the Company or a Capstone Entity including a Share purchased from treasury by one or more officers, directors or officers of the Company or a Capstone Entity, current or past full-time or part-time employees of the Company or a Capstone Entity, Insiders or consultants of the Company or a Capstone Entity which is financially assisted by the Company or a Capstone Entity by way of a loan, guarantee or otherwise, but a Security Based Compensation Arrangement does not include an arrangement that does not involve the issuance from treasury or potential issuance from treasury of Shares or other equity securities of the Company.

1.3.33 "**Separation from Service**" has the meaning as defined in Exhibit A hereto.

1.3.34 "**Service Provider**" means a person or company, other than an employee, officer or director of the Company or a Capstone Entity, that:

(a) is engaged to provide, on a bona fide basis, for an initial, renewable or extended period of twelve (12) months or more, services to the Company or a Capstone Entity, other than services provided in relation to a distribution of securities;

(b) provides the services under a written contract between the Company or a Capstone Entity and the person or company;

(c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Capstone Entity;

and includes

(d) an individual Service Provider, a corporation of which the individual Service Provider is an employee or shareholder, and a partnership of which the individual Service Provider is an employee or partner; and

(e) for a Service Provider that is not an individual, an employee, executive officer, or director of the Service Provider, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Capstone Entity.

1.3.35 "**Share**" means a common share of the Company and such other share as may be substituted for it as a result of amendments to the notice of articles of the Company, arrangement, reorganization, subdivision, consolidation, exchange or otherwise, including any rights that form a part of the common share or substituted share.

1.3.36 "**Share Unit**" means either an RSU or a PSU, as the context requires.

1.3.37 "**Share Unit Account**" has the meaning set out in Section 5.1.

1.3.38 "**Stock Exchange**" means the Toronto Stock Exchange and such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.

1.3.39 "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which shares of the Company are listed.

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1.3.40 "**Termination**" means (i) the termination of a Participant's active Employment with the Company or a Capstone Entity (other than in connection with the Participant's transfer to Employment with the Company or another Capstone Entity), which shall occur on the earlier of the date on which the Participant ceases to render services to the Company or Capstone Entity, as applicable, and the date on which the Company or a Capstone Entity, as applicable, delivers notice of the termination of the Participant's employment or contract for services, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice, but, for greater certainty, a Participant's absence from active work during a period of vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability shall not be considered to be a "Termination", and (ii) in the case of a Participant who does not return to active Employment with the Company or a Capstone Entity immediately following a period of absence due to vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability, such cessation shall be deemed to occur on the last day of such period of absence (provided, in each case in the case of a US Taxpayer, that the Termination constitutes a "Separation From Service", within the meaning of Section 409A of the Code), and "**Terminated**" and "**Terminates**" shall be construed accordingly.

1.3.41 "**Time Vesting**" means any conditions relating to continued service with the Company or a Capstone Entity for a period of time in respect of the Vesting of Share Units determined by the Committee.

1.3.42 "**Trading Day**" means any date on which any Stock Exchange is open for the trading of Shares and on which Shares are actually traded.

1.3.43 **"US Taxpayer"** means an individual who is subject to tax under the Code in respect of any amounts payable or Shares deliverable under this Plan.

1.3.44 "**Valuation Date**" means the date as of which the Market Value is determined for purposes of calculating the number of Share Units included in a Grant, which unless otherwise determined by the Committee shall be the Grant Date of such Grant.

1.3.45 "**Vested**" means the applicable Time Vesting, Performance Conditions and/or any other conditions for payment or other settlement (subject to any conditions on such payment or settlement imposed in respect of US Taxpayers under Exhibit "A" hereto) in relation to a whole number, or a percentage (which may be more or less than 100%) of the number, of PSUs or RSUs determined by the Committee in connection with a Grant of PSUs or Grant of RSUs, as the case may be, (i) have been met; (ii) have been waived or deemed to be met pursuant to Section 6.8 or Section 6.9; (iii) or are otherwise waived pursuant to Section 3.3, and "**Vesting**" and "**Vest**" shall be construed accordingly.

1.3.46 "**Vesting Date**" means the earliest date on which the applicable Time-Vesting, Performance Conditions and/or any other conditions for a Share Unit becoming Vested are met, deemed to have been met or waived as contemplated in the definition of "Vested".

1.3.47 "**Vesting Period**" means, with respect to a Grant, the period specified by the Committee, commencing on the Grant Date and ending on the last Vesting Date for Share Units subject to such Grant.

1.3.48 "**Vested Share Units**" means Share Units that have vested.

2. CONSTRUCTION AND INTERPRETATION

2.1 Gender, Singular, Plural

In the Plan, references to the masculine include the feminine; and references to the singular shall include the plural and vice versa, as the context shall require.

2.2 Governing Law

The Plan shall be governed and interpreted in accordance with the laws of the Province of British Columbia and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of British Columbia.

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2.3 **Severability**

If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

2.4 **Headings, Sections**

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.

3. SHARE UNIT GRANTS AND VESTING PERIODS

3.1 **Grant of Share Units**

Unless otherwise determined by the Board, the Plan shall be administered by the Committee. The Committee shall have the authority in its sole and absolute discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan, including, without limitation, the authority:

(a) to make Grants of Share Units;

(b) to determine the Grant Date for Grants, if not the date on which the Committee determines to make such Grants, provided that the Committee shall ensure that if the determination to make such Grants is during a Black-out Period, the Grant Date shall be deemed to be the date five Trading Days following the end of such Black-out Period;

(c) to determine the Eligible Persons to whom, and the time or times at which Grants shall be made and shall become issuable;

(d) to determine the Grant Value and the Valuation Date (if not the Grant Date) for each Grant and accordingly the number of Share Units to be covered by each Grant in accordance with Section 3.2;

(e) to approve or authorize the applicable form and terms of the related Grant Agreements and any other forms to be used in connection with the Plan;

(f) to determine the terms and conditions of Grants granted to any Participant, including, without limitation, (A) the type of Share Unit, (B) the number of RSUs or PSUs subject to a Grant, (C) the Vesting Period(s) applicable to a Grant, (D) the conditions) to the Vesting of any Share Units granted hereunder, including terms relating to Performance Conditions, Time Vesting and/or other Vesting conditions, any multiplier that may apply to Share Units subject to a Grant in connection with the achievement of Vesting conditions, the Performance Period for PSUs and the conditions, if any, upon which Vesting of any Share Unit will be waived or accelerated without any further action by the Committee (including, without limitation, the effect of a Change of Control and a Participant's Termination in connection therewith), (E) the Expiry Date, (F) the circumstances upon which a Share Unit shall be forfeited, cancelled or expire, (G) the consequences of a Termination with respect to a Share Unit, (H) the manner and time of exercise or settlement of Vested Share Units, and (I) whether and the terms upon which any Shares delivered upon exercise or settlement of a Share Unit must continue to be held by a Participant for any specified period;

(g) to determine whether and the extent to which any Performance Conditions or other criteria applicable to the Vesting of a Share Unit have been satisfied or shall be waived or modified;

(h) to amend the terms of any outstanding Grant under the Plan or Grant Agreement provided, however, that no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Share Unit without his/her consent in writing and provided further, however, that, notwithstanding the foregoing clause of this Section 3.1(h), the Committee may amend the terms of a Share Unit or Grant Agreement without the consent of the Participant for purposes of complying with Applicable Law whether or not such amendment could adversely affect the rights of the Participant;

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(i) to determine whether, and the extent to which, adjustments shall be made pursuant to Section 5.3 and the terms of any such adjustments;

(j) to interpret the Plan and Grant Agreements;

(k) to prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and Grant Agreements;

(l) to determine the terms and provisions of Grant Agreements (which need not be identical) entered into in connection with Grants; and

(m) to make all other determinations deemed necessary or advisable for the administration of the Plan.

3.2 **Eligibility and Award Determination**

3.2.1 In determining the Eligible Persons to whom Grants are to be made ("**Participants**") and the Grant Value for (and accordingly the number of Share Units to be covered by) each Grant (subject to adjustment in accordance with Time Vesting or Performance Conditions), the Committee shall take into account the terms of any written employment agreement between an Eligible Person and the Company or any Capstone Entity and may take into account such other factors as it shall determine in its sole and absolute discretion.

3.2.2 The number of Share Units to be covered by each Grant shall be determined by dividing the Grant Value for such Grant by the Market Value of a Share as at the Valuation Date for such Grant, rounded up to the next whole number.

3.2.3 For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee's decision to approve a Grant in any period shall not require the Committee to approve a Grant to any Participant in any other period; nor shall the Committee's decision with respect to the size or terms and conditions of a Grant in any period require it to approve a Grant of the same or similar size or with the same or similar terms and conditions to any Participant in any other period. The Committee shall not be precluded from approving a Grant to any Participant solely because such Participant may have previously received a Grant under this Plan or any other similar compensation arrangement of the Company or a Capstone Entity. No Eligible Person has any claim or right to receive a Grant except as may be provided in a written employment agreement between an Eligible Person and the Company or a Capstone Entity.

3.2.4 Each Grant Agreement shall set forth, at a minimum, the type of Share Units and Grant Date of the Grant evidenced thereby, the number of RSUs or PSUs subject to such Grant, the applicable Vesting conditions, the applicable Vesting Period(s) and the treatment of the Grant upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Committee shall determine or as shall be required under any other provision of the Plan. The Committee may include in a Grant Agreement terms or conditions pertaining to confidentiality of information relating to the Company's operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of Share Units.

3.3 **Discretion of the Committee**

Notwithstanding any other provision hereof or of any applicable instrument of grant, the Committee may accelerate or waive any condition to the Vesting of any Grant, all Grants, any class of Grants or Grants held by any group of Participants.

3.4 **Effects of Committee's Decision**

Any interpretation, rule, regulation, determination or other act of the Committee hereunder shall be made in its sole discretion and shall be conclusively binding upon all persons.

3.5 **Liability Limitation**

No member of the Committee, the Board or any officer or employee of the Company or a Capstone Entity shall be liable for any action or determination made in good faith pursuant to the Plan or any Grant Agreement under the Plan. To the

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fullest extent permitted by law, the Company and the Capstone Entities shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or the Board or is or was an officer or employee of the Company or a Capstone Entity.

3.6 **Delegation and Administration**

The Committee may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to any one or more directors, officers or employees of the Company as it may determine from time to time, on terms and conditions as it may determine, except the Committee shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it, except that the Committee shall not, and shall not be permitted to, appoint or engage such a trustee, custodian or administrator to the extent such appointment or engagement is not consistent with Applicable Law.

4. RESTRICTIONS ON ISSUANCES

4.1 **Share Reserve**

Subject to Section 4.2 and any adjustment pursuant to Section 5.3, the maximum number of Shares that may be issued pursuant to Grants made under the Plan together with all other Security Based Compensation Arrangements of the Company may not exceed 10% of the issued and outstanding Shares from time to time, provided that, and subject to the foregoing, the maximum number of Shares that may be issued pursuant to Grants made under the Plan may not exceed 3.5% of the issued and outstanding Shares from time to time.

4.2 **Evergreen**

For purposes of computing the total number of Shares available for grant under the Plan, Shares subject to any Grant (or any portion thereof) that are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance of such Shares shall again be available for grant under the Plan. In addition, following the exercise or settlement of any Grant under the Plan, a number of Shares underlying Grants so exercised or settled will immediately and automatically become available for issuance in respect of Grants that may be subsequently granted under this Plan.

4.3 **Insider Participation Limit**

The maximum number of Shares of the Company: (a) issued to Insiders within any one year period, and (b) issuable to Insiders, at any time, under the Plan, or when combined with all of the Company's other Security Based Compensation Arrangements, shall not exceed 10% of issued and outstanding Shares from time to time.

5. ACCOUNTS, DIVIDEND EQUIVALENTS AND REORGANIZATION

5.1 **Share Unit Account**

An account, called a "**Share Unit Account**", shall be maintained by the Company, or a Capstone Entity, as specified by the Committee, for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time pursuant to Sections 3.1 and 3.2 and any dividend equivalent Share Units pursuant to Section 5.2. Share Units that fail to vest to a Participant and are forfeited pursuant to Section 6, or that are paid out to the Participant or his/her Beneficiary, shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be. For greater certainty, where a Participant is granted both RSUs and PSUs, such RSUs and PSUs shall be recorded separately in the Participant's Share Unit Account.

5.2 **Dividend Equivalent Share Units**

Except as otherwise provided in the Grant Agreement relating to a grant of RSUs or PSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Shares to shareholders of record as of a record date occurring during the period from the Grant Date under the Grant Agreement to the date of settlement of the RSUs or PSUs granted thereunder, a number of dividend equivalent RSUs or PSUs, as the case may be, shall be granted to the Participant who is a party to such Grant Agreement equal to the number of whole Share Units (rounding down) with

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a Market Value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Share multiplied by (ii) the number of RSUs or PSUs subject to such Grant (including dividend equivalent RSUs or PSUs previously granted in connection with such RSUs or PSUs) as of the record date for the dividend. The additional RSUs or PSUs granted to a Participant shall be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

5.3 **Adjustments**

In the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off, dividends (other than cash dividends in the ordinary course) or other distribution of the Company's assets to shareholders, or any other similar changes affecting the Shares, a proportionate adjustment to reflect such change or changes shall be made with respect to the number of Share Units outstanding under the Plan, or securities into which the Shares are changed or are convertible or exchangeable may be substituted for Shares under this Plan, on a basis proportionate to the number of Share Units in the Participant's Share Unit Account or some other appropriate basis, all as determined by the Committee in its sole discretion.

6. EXPIRY AND REDEMPTION OF SHARE UNITS

6.1 **Term of Share Units**

Subject to Sections 6.4, 6.7 and 6.8, the Expiry Date for each Share Unit will be the date determined by the Committee and specified in the notice of award pursuant to which such Share Unit is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth (10th) anniversary of the date on which such Share Unit is granted, and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including any Stock Exchange Rules.

6.2 **Elected Redemption Date Notice**

Except to the extent the award of a Share Unit specifies that redemption will automatically occur on a date prior to the Expiry Date, participants shall elect, by submitting a Redemption Notice, an Elected Redemption Date for Share Units as follows:

(a) Participants that are not US Taxpayers may elect at any time to redeem Vested Share Units on any date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date; and

(b) US Taxpayers may irrevocably elect to have Vested Share Units redeemed on a fixed date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date provided that such election must be irrevocably made prior to the earlier of: (i) receipt by the US Taxpayer of each award of Share Units; and (ii) the first day of the taxable year of the US Taxpayer in which the Performance Period, or other period over which the awards is to be earned and vests, begins. For this purpose a "fixed date" may include any permissible payment event under Section 409A of the Code, for example, Separation from Service or a Change of Control (if also a change of control for purposes of Section 409A of the Code).

If a Participant who is not a US Taxpayer does not elect an Elected Redemption Date in respect of an award of Share Units in accordance with Section 6.2(a), the Share Units shall be redeemed on the Expiry Date in accordance with Section 6.3. If a US Taxpayer does not timely elect an Elected Redemption Date in respect of an award of Share Units in accordance with Section 6.2(b), the Vesting Date shall be deemed to be the Elected Redemption Date and the Share Units shall be redeemed in accordance with Section 6.3.

6.3 **Redemption of Share Units**

Subject to payment or other satisfaction of all related withholding obligations in accordance with Section 9.2 and the terms of the applicable Grant Agreement, the Company shall redeem the Vested Share Units elected to be redeemed by the Participant on the earlier of (i) within fifteen Business Days of the Elected Redemption Date and (ii) the date set out in Sections 6.4, 6.7 and 6.8, by issuing to the Participant the number of Shares equal to the number of Vested Share Units elected to be redeemed. If the Participant elects in the Redemption Notice to have the Vested Share Units redeemed by the payment of cash then, at the Committee's sole discretion, the Vested Share Units shall be redeemed on the earlier of (i) within fifteen Business Days of the Elected Redemption Date and (ii) the date set out in Sections 6.4, 6.7 or 6.8, and such cash payment shall be equal to the Market Value of such Vested Share Units redeemed as of

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the Elected Redemption Date or the date specified in Sections 6.4, 6.7 or 6.8, if applicable. Notwithstanding the foregoing or any other provision in the Plan, if Share Units held by a US Taxpayer will be redeemed as a result of the US Taxpayer's Separation from Service, and such US Taxpayer is a Specified Employee as defined under Section 409A of the Code and applicable regulations at the time of such Separation from Service, the redemption of Share Units that are subject to Section 409A of the Code will be delayed until a date that is six months and one day following the date of the Separation from Service.

A Participant's Share Units, adjusted in accordance with the applicable multiple, if any, as set out in the Grant Agreement, will be rounded down to the nearest whole number of Share Units.

6.4 **Postponed Settlement**

Notwithstanding any other section of the Plan, if a Participant's Share Units would, in the absence of this Section 6.4 be settled within a Blackout Period applicable to such Participant, such settlement shall be postponed until the earlier of the 6th Trading Day following the end of such Blackout Period and the latest date for settlement of the Participant's Share Units as determined in accordance with Section 6.1, and the Market Value of any RSUs or PSUs being settled at the Participant's option in cash will be determined as of the earlier of the date five Trading Days following the end of such Black-out Period and the day prior to the settlement date.

6.5 **Failure to Vest**

For greater certainty, a Participant shall have no right to receive Shares or a cash payment, as compensation, damages or otherwise, with respect to any RSUs or PSUs that do not become Vested.

6.6 **Continued Employment**

Subject to this Section 6 and the applicable Grant Agreement, Share Units subject to a Grant and dividend equivalent Share Units credited to the Participant's Share Unit Account in respect of such Share Units shall vest in such proportion(s) and on such Vesting Date(s) as may be specified in the Grant Agreement governing such Grant provided that the Participant is Employed on the relevant Vesting Date. For greater certainty, a Participant shall not be considered to be Employed on a Vesting Date if, prior to such Vesting Date, such Participant received a payment in lieu of notice of Termination of employment, whether under a contract of employment, as damages or otherwise.

6.7 **Termination of Employment for Cause or Resignation**

Subject to the terms of a Participant's written employment agreement with the Company or a Capstone Entity and unless otherwise determined by the Committee, in the event a Participant's employment is Terminated for Cause by the Company, or a Capstone Entity, as applicable, or a Participant's employment with the Company or a Capstone Entity Terminates as a result of the Participant's resignation, no Share Units, that have not Vested and been settled prior to the date of the Participant's Termination for Cause or the date on which the Participant submits his/her resignation, as the case may be, including dividend equivalent Share Units in respect of such Share Units, shall Vest and all such Share Units shall be forfeited immediately.

6.8 **Termination of Employment without Cause, Death or Disability**

Subject to the terms of a Participant's written employment agreement with the Company or a Capstone Entity and the relevant Grant Agreement, in the event a Participant's employment is terminated by the Company, or a Capstone Entity, as applicable, without Cause, the Participant dies or experiences a Disability prior to the end of a Vesting Period relating to a Grant:

(a) the number of RSUs determined by the formula A x B/C, where

A equals the total number of RSUs relating to such Grant that have not previously Vested and dividend equivalent RSUs in respect of such RSUs,

B equals the total number of days between the first day of the Vesting Period relating to such Grant and the Participant's date of Termination or death or Disability Date, as the case may be, and

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C equals total number of days in the Vesting Period relating to such Grant,

shall become Vested RSUs on the Participant's date of Termination or death or Disability Date, as the case may be; and

(b) the number of PSUs, if any, that Vest shall be determined in accordance with the Grant Agreement governing such PSUs.

6.9 **Change of Control**

Subject to the terms of a Participant's written employment agreement with the Company and the applicable Grant Agreement, in the event of a Change of Control prior to the end of the Vesting Period relating to a Grant, the Committee may determine, in its sole discretion:

(a) that for any Share Unit there shall be substituted an entitlement (in the form of notional units or other contingent rights) to receive cash or such securities into which Shares are changed, or are convertible or exchangeable, on a basis proportionate to the number of Shares to which the Participant would be entitled if the Share Units in his Share Unit Account immediately prior to the effective time of the Change of Control were Shares, or some other appropriate basis; or

(b) that all Share Units that have not previously Vested shall become Vested Share Units on the effective date of the Change of Control, provided that, in the case of a Grant of PSUs, the total number of Share Units relating to such Grant shall be the greater of: (i) the number of PSUs specified in the Grant Agreement for such Grant without giving effect to any potential increase or decrease in such number as a result of graduated Performance Conditions permitting Vesting of more or less than 100% of the PSUs in a Grant or (ii) the number of PSUs specified in the Grant Agreement for such Grant giving effect to any increase or decrease in such number as a result of graduated Performance Conditions of the PSUs in a Grant that have been met. Share Units that Vest in accordance with this Section shall be settled in the same manner as paragraph (a) above.

7. CURRENCY

7.1 **Currency**

Except where the context otherwise requires, all references in the Plan to currency refer to lawful Canadian currency. Any amounts required to be determined under this Plan that are denominated in a currency other than Canadian dollars shall be converted to Canadian dollars at the applicable Bank of Canada noon rate of exchange on the date as of which the amount is required to be determined.

8. SHAREHOLDER RIGHTS

8.1 **No Rights to Shares**

Share Units are not Shares and a Grant of Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

9. MISCELLANEOUS

9.1 **Compliance with Laws and Policies**

The Company's obligation to make any payments or deliver (or cause to be delivered) any Shares hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Company applicable to the Participant in connection with the Plan including, without limitation, furnishing to the Company all information and undertakings as may be required to permit compliance with Applicable Law.

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9.2 **Withholdings**

So as to ensure that the Company or a Capstone Entity, as applicable, will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Company or Capstone Entity, as applicable, shall withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary to permit the Company or Capstone Entity, as applicable, to so comply and may require the Participant or his or her Beneficiary to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding and taxes. The Company or a Capstone Entity may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Company may determine in its sole discretion, by (a) selling on such Participant's behalf, or requiring such Participant to sell, any Shares, and retaining any amount payable which would otherwise be provided or paid to such Participant in connection with any such sale, or (b) requiring, as a condition to the delivery of Shares hereunder, that such Participant make such arrangements as the Company may require so that the Company or a Capstone Entity can satisfy such withholding obligations, including requiring such Participant to remit an amount to the Company or a Capstone Entity in advance, or reimburse the Company or a Capstone Entity for, any such withholding obligations. Notwithstanding the foregoing, the Committee may provide for other methods of withholding in any Grant Agreement or as otherwise determined by the Committee.

9.3 **No Right to Continued Employment**

Nothing in the Plan or in any Grant Agreement entered into pursuant hereto shall confer upon any Participant the right to continue in the employ of the Company or any Capstone Entity, to be entitled to any remuneration or benefits not set forth in the Plan or a Grant Agreement or to interfere with or limit in any way the right of the Company or any Capstone Entity to terminate Participant's employment or service arrangement with the Company or any Capstone Entity.

9.4 **No Additional Rights**

Neither the designation of an individual as a Participant nor the grant of any Share Units to any Participant entitles any person to the grant, or any additional grant, as the case may be, of any Share Units under the Plan.

9.5 **Amendment, Termination**

The Plan and any Grant made pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders, provided that no amendment to the Plan or Grants made pursuant to the Plan may be made without the consent of a Participant if it adversely alters or impairs the rights of the Participant in respect of any Grant previously granted to such Participant under the Plan, except that Participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law. For greater certainty, the Plan may not be amended without shareholder approval in accordance with the requirements of the Stock Exchange to do any of the following:

(a) increase in the maximum number of Shares issuable pursuant to the Plan and as set out in Section 4.1;

(b) increase or remove the limits on Shares issuable or issued to Insiders as set forth in Section 4.3;

(c) extend the maximum term of any Grant made under the Plan, except pursuant to Section 6.4;

(d) amend the assignment provisions contained in Section 10.1;

(e) include other types of equity compensation involving the issuance of Shares under the Plan; and

(f) amend this Section 9.5 to amend or delete any of (a) through (e) or grant additional powers to the Committee or the Board to amend the Plan or entitlements without shareholder approval.

For greater certainty and without limiting the foregoing, shareholder approval shall not be required for the following amendments and the Board may make the following changes without shareholder approval, subject to any regulatory approvals including, where required, the approval of any Stock Exchange:

(a) amendments of a "housekeeping" nature;

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(b) a change to the Vesting provisions of any Grants;

(c) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or

(d) amendments to the provisions relating to a Change of Control.

9.6 **Administration Costs**

The Company will be responsible for all costs relating to the administration of the Plan.

9.7 **Designation of Beneficiary**

Subject to the requirements of Applicable Law, a Participant may designate a Beneficiary, in writing, to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form as may be prescribed by the Committee from time to time. A Beneficiary designation under this Section 9.7 and any subsequent changes thereto shall be filed with the General Counsel of the Company.

10. ASSIGNMENT

10.1 Subject to Section 9.7, the assignment or transfer of the Share Units, or any other benefits under this Plan, shall not be permitted other than by operation of law.

11. EFFECTIVE DATE

11.1 The Company is establishing the Plan effective on February 23, 2021.

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Exhibit "A"

to

Capstone Copper Corp. Treasury Share Unit Plan

Special Provisions Applicable to Participants Subject to Section 409A of the United States Internal Revenue Code ("Section 409A")

This Exhibit sets forth special provisions of the Capstone Copper Corp. Treasury Share Unit Plan (the "Plan") that apply to Participants who are US Taxpayers. This Exhibit shall apply to such Participants notwithstanding any other provisions of the Plan. Terms defined elsewhere in the Plan and used herein shall have the meanings set forth in the Plan, as may be amended from time to time.

Definitions

For purposes of this Exhibit:

"**Separation From Service**" shall mean that employment or service with the Company and any entity that is to be treated as a single employer with the Company for purposes of United States Treasury Regulation Section 1.409A-1(h) terminates such that it is reasonably anticipated that no further services will be performed.

"**Specified Employee**" means a US Taxpayer who meets the definition of "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code.

Compliance with Section 409A

In General.

Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of Share Units shall be deemed to be a separate payment for purposes of Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A), and neither the Company nor any Capstone Entity shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any Beneficiary) harmless from any or all of such taxes or penalties.

Distributions to Specified Employees.

Solely to the extent required by Section 409A, any payment in respect of Share Units which is subject to Section 409A and which has become payable by reason of a Separation from Service to any Participant who is determined to be a Specified Employee shall not be paid before the date which is six months after such Specified Employee's Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.

Amendment of Exhibit.

Subject to Applicable Law, the Board shall retain the power and authority to amend or modify this Exhibit to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

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SCHEDULE "B"

ADVANCE NOTICE POLICY

INTRODUCTION

Capstone Copper Corp. ("Capstone") is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote.

The purpose of this Advance Notice Policy (the Policy) is to provide shareholders, directors, and management of Capstone with direction on the nomination of directors. This Policy is the framework by which Capstone seeks to fix a deadline by which holders of record of common shares of Capstone must submit director nominations to Capstone prior to any annual or special meetings of shareholders and sets forth the information that a shareholder must include in the notice to Capstone for the notice to be in proper written form.

It is the position of Capstone that this Policy is beneficial to shareholders and other stakeholders. This policy will be subject to an annual review and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of Capstone. Nominations of persons for election to the board of directors of Capstone (the Board) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

   (a) by or at the direction of the Board, including pursuant to a notice of meeting;
   (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the British Columbia Business Corporations Act (the Act), or a requisition of the shareholders made in accordance with the provisions of the Act; or
   (c) by any person (a Nominating Shareholder): (A) who, at the close of business on the Notice Date (as defined below) and on the record date for notice at such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of Capstone at the principal executive offices of Capstone in accordance with the provisions of this Policy.

3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of Capstone must be made:

   (a) in the case of an annual meeting of shareholders, not less than 35 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the Notice Date) on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the later of: (i) the date of the public announcement (as defined below) of this Policy; and (ii) the Notice Date in respect of such meeting; or
   (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement (as defined below) of the date of the special meeting of shareholders was made.

4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of Capstone must set forth:

   (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, province or state and country of residence of the person; (B) the principal occupation, business or employment of the person; (C) the number of securities of each class of voting securities beneficially owned, or controlled or directed, directly or indirectly, by the person as of the record date for the meeting of shareholders (if such date shall

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then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of Capstone and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

Capstone may require any proposed nominee to furnish such other information as may be required by the Act and Applicable Securities Law to determine the eligibility of such proposed nominee to serve as an independent director of Capstone.

5. No person shall be eligible for election as a director of Capstone unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:

(a) "Public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by Capstone under its profile on the System of Electronic Document Analysis and Retrieval+ at *www.sedarplus.ca*; and

(b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of Capstone pursuant to this Policy may only be given by personal delivery, facsimile transmission or email (at such email address as stipulated from time to time by the Corporate Secretary of Capstone for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of Capstone; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

AMENDMENT

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

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SCHEDULE "C"

TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

1. INTRODUCTION

The Board of Directors (the "Board") has the responsibility for the overall stewardship of the conduct of the business of Capstone Copper Corp. ("Capstone") and the activities of management. Management is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure Capstone meets its obligations on an ongoing basis and that Capstone operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in Capstone. In overseeing the conduct of the business, the Board, through the Chief Executive Officer ("CEO"), shall set the standards of conduct for Capstone.

In performing its function, the Board will act honestly and in good faith with a view to the best interest of Capstone.

2. COMPOSITION

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles of Capstone and the British Columbia Business Corporations Act (the "Act"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

3. CORE RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below.

A. Legal Requirements

The Board has the responsibility to direct management to ensure that all legal requirements have been met and documents and records have been properly prepared, approved and maintained.

The Board has the statutory responsibility to:

i. Manage or, to the extent it is entitled to delegate such power, to supervise the management of the business and affairs of Capstone by the senior officers of Capstone;

ii. Exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances;

iii. Act in accordance with its obligations contained in the Act and the regulations, Capstone's Articles, applicable Canadian securities legislation, and other relevant legislation and regulations; and

iv. Ensure that management has established an effective risk management system.

B. Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including endeavouring to have a majority of independent directors as well as an independent Chair or an independent Lead Director, as the term "independent" is defined in National Instrument 58-101 "Disclosure of Corporate Governance Practices".

C. Strategy Determination

The Board has the responsibility to ensure that long term goals and a strategic planning process for Capstone is put in place and to participate with management through its committees in approving the mission of the business of Capstone and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of Capstone's business.

D. Managing Risk and Insurance

The Board has the responsibility to identify and understand the principal risks of the business in which Capstone is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure management has put in place systems which effectively identify, monitor and manage those risks with a view to the long-term viability of Capstone. The Board's oversight of risk includes assessing the environmental and social impacts and related risks of environmental, social and governance (ESG) impacts on the corporate strategy and operating model. The Board also has the responsibility to take appropriate steps to minimize material risk exposures

by assessing Capstone's risk profile, categories of risk Capstone faces, strategies implemented to mitigate identified risks, and maintaining appropriate insurance programs to transfer risks where appropriate, including Capstone's captive insurance program. Board committees assist the Board in fulfilling its risk oversight responsibilities in certain areas of risk, as outlined in each Board Committee's Terms of Reference document.

E. Division of Responsibilities

The Board has the responsibility to:

i. Appoint directors to committees, and to delegate responsibilities to committees where appropriate to do so;

ii. Have in place position descriptions for:

a) The Lead Director of the Board;

b) The Chair of the Board;

c) The Chair of each Board Committee;

d) The Chief Executive Officer;

e) The President and Chief Operating Officer; and

f) The Chief Financial Officer; and

iii. Ensure that the directors of Capstone's subsidiaries are qualified and appropriate and that they are provided with copies of Capstone's policies for consideration for implementation by the subsidiaries.

To assist it in exercising its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Human Resources & Compensation Committee, the Governance, Nominating & Sustainability Committee and the Technical, Health, Environment, Safety & Sustainability Committee. The Board may also establish other standing or special committees from time to time.

Each committee shall have written Terms of Reference that clearly establish its purpose, composition, responsibilities, authority, accountability and meetings.

F. Appointment, Training and Monitoring Senior Management

The Board has the responsibility:

i. to appoint the CEO, to monitor and assess the CEO's performance, ensures the CEO's integrity, and to provide advice and counsel in the execution of the CEO's duties;

ii. to approve the corporate goals or objectives that the CEO is responsible for;

iii. to approve the appointment of all corporate officers, acting upon the advice of the CEO and to satisfy itself as to the integrity of such corporate officers;

iv. to ensure that adequate provision has been made to train and develop management and for the orderly succession of management;

v. to ensure that all new directors receive a comprehensive orientation, to fully understand the role of the Board and its committees, the nature and operation of Capstone's business and the contribution that individual directors are required to make;

vi. to ensure a culture of integrity throughout Capstone;

vii. to set out expectations and responsibilities of directors including attendance at meetings and review of meeting materials.

viii. to ensure that management is aware of the Board's expectations of management;

ix. to ensure that succession plans have been made for corporate officers; and

G. Policies, Procedures and Compliance, Conduct

The Board has the responsibility:

i. to ensure that Capstone has in place a corporate policy framework that enables Capstone to operate at all times within applicable laws, regulations and its ethical standards;

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ii. to approve and monitor compliance with significant policies and procedures by which Capstone is operated; and

iii. to have in place a code of conduct and ensure effective systems are in place such that all directors, officers and employees comply with the code.

H. Reporting and Communication

The Board has the responsibility:

i. to ensure Capstone has in place policies and programs to enable Capstone to communicate effectively with its shareholders, stakeholders and the public generally;

ii. to ensure that the financial performance of Capstone is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

iii. to ensure that the financial results are reported fairly and in accordance with international financial reporting standards ("IFRS")

iv. to ensure the timely reporting of developments that have a material impact on the value of Capstone;

v. to report annually to shareholders on its stewardship of the affairs of Capstone for the preceding year;

vi. to develop appropriate measures for receiving shareholder feedback; and

vii. to develop Capstone's approach to corporate governance and to develop a corporate governance guideline.

I. Monitoring and Acting

The Board has the responsibility:

i. to monitor Capstone's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

ii. to take action when performance falls short of its goals and objectives or when other special circumstances warrant;

iii. to ensure that Capstone has implemented adequate control and information systems which ensure the effective discharge of its responsibilities; and

iv. to conduct regular assessments of the Board, committee and director effectiveness.

J. Non-Delegation

The following are responsibilities of the Board that cannot be delegated to management or any committee of the Board.

i. Declare dividends;

ii. On behalf of the Company, purchase, redeem, or otherwise acquire shares issued by the Company

iii. Approve a management proxy circular

iv. Approve a take-over bid circular

v. Approve any financial statements or other statutory disclosure documents

4. REVIEW AND REVISION OF THE TERMS OF REFERENCE

Annual Review: The Board shall annually review these Terms of Reference and make such changes as it deems advisable.

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