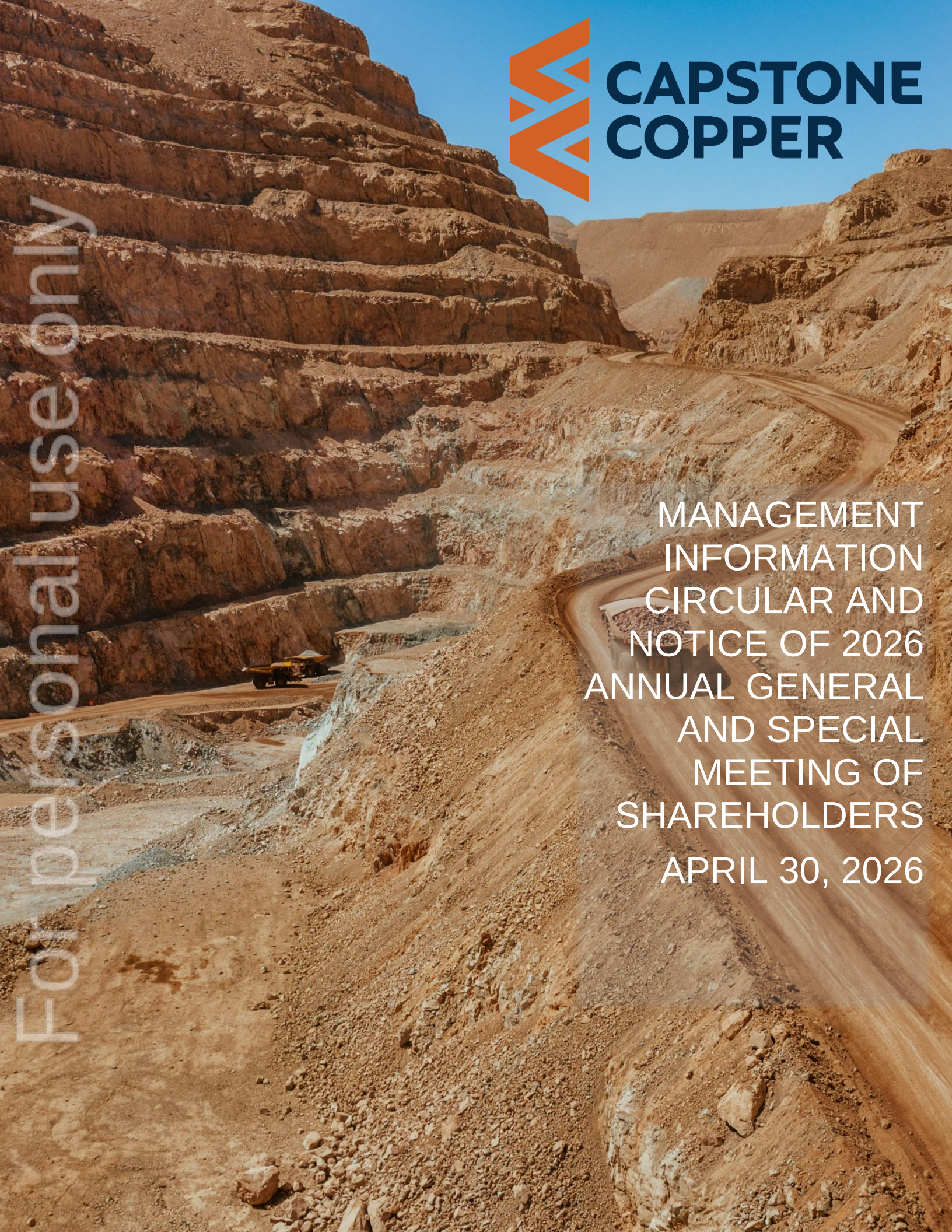


CAPSTONE COPPER

MANAGEMENT INFORMATION CIRCULAR AND NOTICE OF 2026 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

APRIL 30, 2026

For personal use only

Dear Fellow Capstone Copper Corp. Shareholders,

March 10, 2026

On behalf of Capstone Copper Corp.'s ("**we**", "**our**", "**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 Thursday, April 30, 2026,** 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 approve amendments to Capstone's equity plans and consider and approve, on an advisory basis, Capstone's approach to executive compensation.

The Board is proud of Capstone's accomplishments in 2025, which included record copper production and EBITDA generation while achieving consolidated production and cost guidance. 2025 marked an inflection point as Capstone began to realize the benefits of delivering peer-leading copper growth through projects at the Mantoverde and Mantos Blancos mines in Chile, while also improving its balance sheet strength and financial flexibility. As the Company executed near-term growth, Capstone also delivered several key catalysts to advance its future growth pipeline, including sanctioning the Mantoverde Optimized project, announcing a joint venture partner for the Santo Domingo project and initiating a new exploration program focused on the Mantoverde-Santo Domingo district.

Capstone will focus on achieving prudent and reliable results in 2026, with the Company's recently released 2026 guidance demonstrating stable production from an enhanced portfolio of assets. In 2026, Capstone will prepare to deliver the next phase of growth by committing to operational excellence and further balance sheet strengthening, while continuing to advance its attractive pipeline of organic opportunities.

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,

"John MacKenzie"
Board Chair



For personal use only

EXECUTIVE SUMMARY

Capstone's 2025 Results

Corporate

- Achieved 2025 production and cost guidance, with record consolidated copper production in 2025 of 224,764 tonnes at C1 cash costs[1] of $2.44 per payable pound of copper.
- Generated record Adjusted EBITDA[1] of $952.7 million and Operating Cash Flow Before changes in working capital of $897.0 million.
- Net debt[1] of $780.1 million as at December 31, 2025.
- Total available liquidity[1] was $1,015.2 million as at December 31, 2025, comprising $304.2 million of cash and short-term investments and $711.0 million of undrawn amounts on the corporate revolving credit facility.
- Capstone completed a balance sheet refinancing strategy, including applying the net proceeds from a $600 million offering of 6.750% senior unsecured notes to repay the $477 million outstanding balance on the Mantoverde project finance facility.
- The CHESS Depository Interests ("CDI") of the Company were added to the S&P/ASX 200 Index by the S&P Dow Jones Indices prior to ASX market open on March 24.
- Capstone continued to progress towards achieving the targets set out in our Sustainable Development Strategy as described within our 2024 Sustainability Report, highlighting the achievement of sustainability milestones on multiple fronts as we continued to build the capacity of our organization in pursuit of business and sustainability goals.
- 2026 production guidance of 200,000 to 230,000 tonnes of copper at C1 cash costs of $2.45 to $2.75 per payable pound of copper.

Mantoverde

- Copper production at Mantoverde in 2025 was 95,115 tonnes at C1 cash costs[1] of $2.35 per payable pound of copper.
- Capstone ramped-up the Mantoverde Development Project in 2025, achieving nameplate throughput rates in the fourth quarter of operation.
- The Company received the DIA environmental permit ("Declaración de Impacto Ambiental") for its Mantoverde Optimized project from the Atacama Regional Environmental Assessment Commission in July before sanctioning the project in August. MV Optimized is a capital-efficient brownfield expansion of Mantoverde's sulphide concentrator, increasing throughput from 32,000 to 45,000 ore tonnes per day, providing incremental copper and gold production of approximately 20,000 tonnes and 6,000 ounces per annum, respectively, and extending the mine life from 19 to 25 years.
- The Company announced positive exploration results from Phase 1 drill program at Mantoverde. Initial results demonstrated extension of the mineralization to the north of the current Mantoverde pit, the potential for resource growth and reserve conversion, and additional confidence in potential future expansion plans.

Mantos Blancos

- Copper production at Mantos Blancos in 2025 was 61,919 tonnes at C1 cash costs[1] of $2.16 per payable pound of copper.
- Capstone delivered consistent throughput from the sulphide copper concentrator after the installation of new equipment in the tailings handling area during Q3 2024. In Q2 and Q4 2025, Mantos Blancos sulphides operated above its nameplate capacity of 20,000 ore tpd.
- 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 in addition to increasing copper cathode production.

1 These are non-GAAP performance measures. Refer to the MD&A for the year ended December 31, 2024 section titled "Non-GAAP and Other Performance Measures".

For personal use only

For personal use only

Pinto Valley

- Copper production at Pinto Valley in 2025 was 42,382 tonnes at C1 cash costs[1] of $3.72 per payable pound of copper.
- Asset integrity program underway to improve mill availability and increase average throughput to drive higher production levels and lower costs.
- Pinto Valley was awarded The Copper Mark in recognition of responsible mining practices. Pinto Valley is Capstone's third site globally to receive the award, which is a testament to the Company's commitment to transparency, accountability and responsible copper production.
- The Company continues to review and evaluate 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. Pinto Valley district consolidation could unlock significant ESG/sustainability opportunities and may transform the Company's approach to create value for all stakeholders in the Globe-Miami District.

Cozamin

- Copper production at Cozamin in 2025 was 25,348 tonnes at C1 cash costs[1] of $1.32 per payable pound of copper.
- Exploration drilling continued in 2025 at Cozamin focused on potential mine life extension and production profile improvement targeting step-outs up-dip, down-dip and along strike from historical Mala Noche Vein workings, as well as deep drill tests below MNFWZ. Limited infill drilling was also conducted at both MNV and MNFWZ. In Q4 2025, drilling was conducted with one underground rig positioned at the level 17.2 cross-cut and a second underground rig positioned at the level 12.7 cross-cut.

Santo Domingo

- Repurchased a 2.0% net smelter return royalty held on the Santo Domingo project from Empresa Nacional de Mineria for cash consideration of $10 million. The ENAMI royalty applied to certain concessions at Santo Domingo which covered approximately 26% of the Mineral Reserve mine plan per the 2024 Feasibility Study.
- Capstone entered into an agreement with Orion Resource Partners for cash consideration of up to $360 million for a 25% interest in Santo Domingo and Sierra Norte. The transaction further validates Santo Domingo, derisks project funding, enhances project returns, and advances the project toward a final investment decision. The transaction also includes a future option to buyback the Orion 25% interest.
- Capstone signed an exploration option agreement with Empresa Nacional de Minería (ENAMI) for more than 18,000 hectares of mining and mineral exploration concessions surrounding the Company's Sierra Norte property, further consolidating Capstone's position in the Atacama region of Chile.
- The Company continued to progress financing and detailed engineering, while in parallel advancing opportunities to incorporate the nearby Sierra Norte project and Santo Domingo copper oxide material into the mine plan, in order to prepare for a sanctioning decision in H2 2026.

NOTICE OF 2026 ANNUAL GENERAL AND 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. will be held:

Time and Date	Place	Record Date
Thursday, April 30, 2026, 11:00 a.m. (Pacific Time)	510 West Georgia Street Suite 2100, Vancouver, British Columbia	March 9, 2026

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, 2025 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 2
5. Approve Capstone's amended and restated Incentive Share Option and Bonus Share Plan (the "**Option Plan**"), and approve all unallocated options that may be granted under the Option Plan;	Page 2, 61
6. Approve Capstone's amended and restated Treasury Share Unit Plan (the "**Treasury Share Unit Plan**"), and approve all unallocated entitlements that may be granted under the Treasury Share Unit Plan;	Page 3, 62
7. Consider a non-binding advisory resolution on Capstone's approach to executive compensation; and	Page 5, 50
8. 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, 2025 and the accompanying management's discussion and analysis, may contact 1-866-684-8894 or corporatesecretary@capstonecopper.com.

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.

If you were a shareholder of Capstone on March 9, 2026, 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 April 28, 2026[2].** The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion and without notice.

BY ORDER OF THE BOARD

"Tammy Ho"
Manager, Governance & Corporate Secretary
DATED March 10, 2026

2 For CDI (as defined below) holders, no later than 11:00 a.m. (Australian Eastern Time) on April 27, 2026

For personal use only

WHAT'S INSIDE

EXECUTIVE SUMMARY II

NOTICE OF 2026 ANNUAL GENERAL AND SPECIAL MEETING OF CAPSTONE COPPER CORP. IV

BUSINESS OF THE MEETING 1

I. Receive Financial Statements 1
II. Elect the Number of Directors 1
III. Election of Directors 1
IV. Appoint Auditors 2
V. Option Plan 2
VI. Treasury Share Unit Plan 3
VII. Say on Pay 5
VIII. Other Business 5

GENERAL PROXY INFORMATION 6

VOTING INFORMATION 7

Solicitation of Proxies 7
Record Date 7
Who Can Vote 7
How to Vote 8
Revocation of Proxy 9
Quorum 10
Exercise of Discretion 10
Voting Results 10

BOARD COMPOSITION 11

GOVERNANCE OF CAPSTONE 21

Corporate Governance Highlights 21
Governance Guideline 22
Directorships 23
Director Tenure 23
Conflict of Interest 24
Diversity 24
Board Commitment to Ongoing Director Education & Strategic Dialogue 24
Board Performance Assessments 25
Changes to the Board of Directors in 2025 26
Independence 26
Assessment of Key Skills & Experience 27
Skills Matrix 29
Oversight and Management of Sustainability Matters 31
Risk Oversight 33
Shareholder Engagement 35
Other Corporate Governance Related Policies 36
Board Committees 39

COMPENSATION DISCUSSION AND ANALYSIS 41

An Introduction from Human Resources & Compensation Committee Chair 41
Executive Summary 43
2025 Named Executive Officers Summary Compensation Table 44

COMPENSATION GOVERNANCE 46

Roles of the Human Resources & Compensation Committee and Management 46

For personal use only

Decision Making Process 47
Compensation Risk Management 47
Anti-Hedging Policy 48
Clawback Policy 48
Share Ownership Guidelines 48

EXECUTIVE COMPENSATION PRACTICES 50

Executive Compensation Objectives 50
Compensation Philosophy 50
Peer Benchmarking 50
Compensation Peer Group 50
Compensation Advisor 51
Executive Compensation-Related Fees 51
Executive Continuing Education 51
Diversity 51

2025 CORPORATE PERFORMANCE 53

Summary of Corporate Scorecard Results 53
Summary of Market Performance 53

EXECUTIVE COMPENSATION COMPONENTS 55

Compensation Elements, Key Features and Objectives 55
Compensation Mix 57
Base Salary 57
Annual Short-Term Incentive Bonus 58
Long-Term Incentive Plans 59
Security Based Compensation Plans 59
Outstanding Share-Based and Option-Based Awards 65
Incentive Plan Awards – Value Vested or Earned During the Year 66
Termination and Change of Control Benefits 66

DIRECTOR COMPENSATION 70

Director Compensation Objectives 70
Director Compensation Components 70
Directors' Compensation – Cash Retainer 70
Directors' Compensation – Equity Retainer 71
Equity Retainer Mix 71
2025 Director Compensation Table 71
Directors' Deferred Share Unit Plan 71
Outstanding Share-Based and Option-Based Awards 72
Incentive Plan Awards – Value Vested or Earned During the Year 73

ADDITIONAL INFORMATION 74

Interest of Informed Persons in Material Transactions 74
Interest of Certain Persons in Matters to be Acted Upon 74
Indebtedness of Directors and Executive Officers 74
Management Contracts 74
Additional Information 74
Other Business 74
Board of Directors Approval 74

SCHEDULE "A" ADVANCE NOTICE POLICY 75

SCHEDULE "B" AMENDED INCENTIVE SHARE OPTION AND BONUS PLAN 77

SCHEDULE "C" AMENDED TREASURY SHARE UNIT PLAN 90

For personal use only

For personal use only

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, 2025, 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.

The Board 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 the Board 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).

The Board recommends you vote **for** each director nominee

In the opinion of the Board, each of the eight 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.

	INDEPENDENT						NON-INDEPENDENT	
PLANNED COMMITTEE MEMBERSHIPS	Alison Baker	Gordon Bell	Richard Coleman	Anne Giardini	Peter Meredith[3]	Patricia Palacios	John MacKenzie[4]	Cashel Meagher[5]
Audit Committee	C	✓		✓	✓			
Governance, Nominating & Sustainability Committee			✓	✓		C		
Human Resources & Compensation Committee	✓			C		✓		
Technical & Operational Performance Committee		C	✓			✓		
ADDITIONAL INFORMATION								
Age	55	68	71	66	82	59	57	53
Gender	F	M	M	F	M	F	M	M
Racial/Ethnic Diversity						✓		
Director Since	2022	2024	2025	2021	2019	2023	2022	2025
Other Public Company Boards	3[6]	Nil	Nil	2	1	Nil	1	1

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

3 Mr. Meredith is the Independent Lead Director of the Board of Directors.
4 Mr. MacKenzie is considered to be a non-independent director as he formerly served as Chief Executive Officer of Capstone.
5 Mr. Meagher is considered to be a non-independent director as he currently serves as President and Chief Executive Officer of Capstone.
6 Ms. Baker was appointed as Independent Non-Executive Director of Central Asia Metals Plc on August 21, 2025, and will step down from Rockhopper Exploration plc at their upcoming AGM, currently anticipated to be in June 2026.

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 undertook a comprehensive review of the effectiveness, independence and performance of Deloitte during the year, taking into account the complexity and risk profile of the Company's mining operations. In conducting its assessment, the Audit Committee considered the auditor's experience and technical expertise in the mining sector, including their understanding of key industry-specific areas such as mineral reserve and resource estimates, asset impairment, environmental and rehabilitation provisions, and revenue recognition. The Audit Committee also assessed audit quality, the level of professional scepticism and challenge applied to Management, and the effectiveness of the audit process, including communications with the Audit Committee. This review was carried out in accordance with relevant regulatory expectations and guidance issued by the Canadian Public Accountability Board (CPAB). Following this evaluation, and having received confirmation of Deloitte's independence, the Audit Committee concluded that the Deloitte continues to demonstrate the necessary objectivity, independence and industry expertise to conduct an effective audit, and therefore recommended to the Board that Deloitte be re-appointed as the independent auditors until the next annual meeting, subject to shareholder approval.

The Board recommends you vote **for** Deloitte as Capstone's independent auditors

The table below lists the services Deloitte provides and the fees we paid to them for the fiscal years ended December 31, 2025, and 2024.

Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2025	$2,465,000[7]	$161,000[8]	$103,000[9]	Nil[10]
December 31, 2024	$2,102,000[11]	$413,000[12]	$263,000[13]	Nil[14]

V. Option Plan

The Company is seeking Shareholder approval of all unallocated entitlements under the Option Plan, as such approval is required every three years under the rules of the Toronto Stock Exchange ("**TSX**"). Concurrently, the Board believes that it is in the best interests of the Company and the Shareholders to amend the Option Plan to include certain amendments as described herein.

The Board recommends you vote **for** the unallocated Option entitlements and the Option Plan Amendments

Unallocated Entitlements

The Option Plan is an evergreen plan whereby the number of common shares (the "**Common Shares**") in the capital of Capstone issuable under the Option Plan is based on a 10% rolling reserve of Capstone's Common Shares. Pursuant to the rules of the TSX, shareholders must approve all unallocated entitlements issuable under any non-fixed security-based compensation plan every three years following its institution. The Option Plan was originally adopted by Shareholders on April 28, 2021, and last approved by Shareholders on May 3, 2023. Accordingly, the Shareholders will be asked to approve an ordinary resolution to confirm and approve unallocated entitled under the Option Plan until April 30, 2029.

There is currently a maximum of 10% of the Common Shares reserved for issuance under the Option Plan. As at the date hereof, there are 3,458,119 options to purchase Common Shares (each, an "**Option**")

7 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. Audit fees also include approximately C$120,000 of non-recurring fees for overruns for the 2024 audit paid during 2025 and out-of-scope charges related to the Sierra Norte acquisition during 2024.
8 This amount relates to the securities services for the issuance of Senior Notes and the translation of the consolidated financial statements and MD&A for offering purposes. These fees were pre-approved by the Audit Committee.
9 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning mainly in relation to transfer pricing. All fees for tax compliance, tax advice and tax planning were pre-approved by the Audit Committee.
10 The aggregate fees billed that are not "Audit-Related Fees" or "Tax Fees".
11 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. Audit fees also include approximately C$330,000 of non-recurring fees for overruns for the 2023 audit paid during 2024 and out-of-scope charges related to the Mantoverde Development Project..
12 This amount relates to the audit work on the shelf prospectus, including Australian Stock Exchange prospectus and translation of the consolidated financial statements and MD&A for offering purposes. These fees were pre-approved by the Audit Committee.
13 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning mainly in relation to transfer pricing. All fees for tax compliance, tax advice and tax planning were pre-approved by the Audit Committee.
14 The aggregate fees billed that are not "Audit Fees", "Audit-Related Fees" or "Tax Fees".

For personal use only

issued and outstanding, (representing approximately 0.93% of issued and outstanding Common Shares on an as-converted basis), with 69,285,376 additional Options available for issuance under the Option Plan (representing approximately 9.07% of the issued and outstanding Common Shares on an as-converted basis).

Option Plan Amendments

The Board and the TSX conditionally approved certain amendments to the Option Plan, subject to Shareholder approval at the Meeting, which: (a) decrease the maximum number of Common Shares issuable pursuant to the Option Plan from 10% of the Common Shares to 5% of the Common Shares; and (b) expand the matters requiring Shareholder approval to include any amendments to the Option Plan which involve cancelling or reissuing any Options or other entitlements thereunder (the "**Option Plan Amendments**").

The copy of the Option Plan, marked to show the Option Plan Amendments, is attached to this Management Information Circular as Schedule "B".

Should the Option Plan Amendments not receive the required Shareholder approval at the Meeting, the unamended Option Plan will continue to govern the awards granted thereunder, but no further grants will be made under the unamended Option Plan after the Meeting.

Shareholders will be asked to pass an ordinary resolution at the Meeting substantially as set out below:

"BE IT RESOLVED THAT:

1. the proposed amendments to the incentive share option and bonus share plan (the "**Option Plan**"), attached as Schedule "B" to the Management Information Circular of Capstone Copper Corp. ("**Capstone**") delivered in connection with Capstone's 2026 annual and special meeting of shareholders (the "**Management Information Circular**"), including (i) the decrease of common shares in the capital of Capstone issuable thereunder to a rolling maximum aggregate of 5%, and (ii) the expansion of the matters requiring shareholder approval to include any amendments involving the cancellation or reissuance of any options or entitlements under the Option Plan, be and are hereby authorized and approved, subject to final acceptance by the Toronto Stock Exchange;

2. all unallocated rights and other entitlements issuable pursuant to the Option Plan, be and are hereby approved in accordance with the Option Plan terms, and shall continue to remain in effect until further ratification is required pursuant to the rules of the TSX or other applicable regulatory requirements;

3. the Company's ability to continue granting Options and to reserve, set aside and make common shares available for issuance pursuant to the Option Plan until Apil 30, 2029 (or such date that is three years after the date of the meeting at which shareholder approval is being sought or any adjournment or postponement thereof), be and is hereby authorized and approved; and

4. 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."

VI. Treasury Share Unit Plan

The Company is seeking Shareholder approval of all unallocated entitlements under the Treasury Share Unit Plan to bring the timeline of such approval in line with that of the Option Plan. Concurrently, the Board believes that it is in the best interests of the Company and the Shareholders to amend the Treasury Share Unit Plan to include certain amendments as described herein.

The Board recommends you vote **for** the unallocated Share Unit entitlements and the Treasury Share Unit Plan Amendments

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 3.5% rolling reserve of Capstone's Common Shares thereunder, and a 10% rolling reserve of Capstone's Common Shares together with all other security based compensation arrangements of the Company from time to time. Pursuant to the rules of the TSX,

For personal use only

shareholders must approve all unallocated entitlements issuable under any non-fixed security-based compensation plan every three years following its institution. The Treasury Share Unit Plan was originally adopted by Shareholders on February 23, 2021, and last approved by Shareholders on May 3, 2024. Accordingly, while the unallocated entitlements are not due to be approved by Shareholders until 2027, the Board believes it is in the best interests of the Company and the Shareholders to approve such unallocated entitlements until April 30, 2029 while certain amendments to the Treasury Share Unit Plan are being considered at the Meeting.

As at the date hereof, there are 3,622,175 share units (each, a "**Share Unit**") issued and outstanding (representing on an as-converted basis approximately 0.47% of issued and outstanding Common Shares), with 23,105,809 additional Share Units available for issuance under the Treasury Share Unit Plan (representing on an as-converted basis approximately 3.03% of the issued and outstanding Common Shares). Further, as of the date hereof, there are 7,080,294 shares issued and outstanding under the Treasury Share Unit Plan together with all other security based compensation arrangements (representing on an as-converted basis approximately 0.93% of issued and outstanding Common Shares), with 69,285,376 additional shares available for issuance under all security based compensation arrangements (representing on an as-converted basis approximately 9.07% of the issued and outstanding Common Shares).

The Board and the TSX conditionally approved certain amendments to the Treasury Share Unit Plan, subject to Shareholder approval at the Meeting, including, among other amendments of a housekeeping nature relating to U.S. participants: (a) the decrease of Common Shares in the capital of Capstone issuable under the Treasury Share Unit Plan to a rolling maximum aggregate of 3%, and together with all other share based compensation arrangements, to 5%; (b) to provide for alternative redemption schedules subject to the terms of the applicable grant agreements; and (c) to expand the matters that require shareholder approval to include amendments to the limitations on eligibility of non-employee directors with respect to grants (the "**Treasury Share Unit Plan Amendments**").

The copy of the Treasury Share Unit Plan, marked to show the Treasury Share Unit Plan Amendments, is attached to this Management Information Circular as Schedule "C".

Should the Treasury Share Unit Plan Amendments not receive the required Shareholder approval at the Meeting, the unamended Treasury Share Unit Plan will continue to govern the awards granted thereunder, but no further grants will be made under the unamended Treasury Share Unit Plan after the Meeting.

Shareholders will be asked to pass an ordinary resolution at the Meeting substantially as set out below:

"**BE IT RESOLVED THAT**:

1. the proposed amendments to the treasury share unit plan (the "**Treasury Share Unit Plan**"), attached as Schedule "C" to the Management Information Circular, including (i) the decrease of the maximum common shares in the capital of Capstone issuable under the Treasury Share Unit Plan to a rolling maximum aggregate of 3%, and together with all other share based compensation arrangements, to an aggregate maximum of 5%, (ii) to provide for alternative redemption schedules subject to the terms of the applicable grant agreements, and (iii) to expand the matters that require shareholder approval to include amendments to the limitations on eligibility of non-employee directors with respect to grants, be and are hereby authorized and approved, subject to final acceptance by the Toronto Stock Exchange;

2. all unallocated rights and other entitlements issuable pursuant to the Treasury Share Unit Plan, be and are hereby approved in accordance with the Treasury Share Unit Plan terms, and shall continue to remain in effect until further ratification is required pursuant to the rules of the TSX or other applicable regulatory requirements;

3. the Company's ability to continue granting share units and to reserve, set aside and make common shares available for issuance pursuant to the Treasury Share Unit Plan until Apil 30, 2029 (or such date that is three years after the date of the meeting at which shareholder approval is being sought or any adjournment or postponement thereof), be and is hereby authorized and approved; and

For personal use only

4. 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. 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, on an advisory basis, to provide their views on Capstone's disclosed objectives, program design and philosophy that is used to make executive compensation decisions.

The Board recommends you vote **for** our approach to executive compensation

VIII. 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.

For personal use only

GENERAL PROXY INFORMATION

Date of Information

All information in this Management Information Circular is as of March 10, 2026, unless otherwise noted.

Abbreviations

Capstone uses abbreviations for certain committee names:

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

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.

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 9, 2026, Capstone had 763,656,709 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, there are no persons or companies that 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.

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, 2026 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, 2025, 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.

For personal use only

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 Thursday, April 30, 2026, at the time and place and for the purposes set forth in the Notice on page iv. Capstone has retained the services of Laurel Hill Advisory Group ("Laurel Hill") to act as Capstone's proxy solicitation agent. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone or email by directors, officers and employees of Capstone and Laurel Hill. In connection with these services, Capstone will pay fees of approximately $40,000 to Laurel Hill in addition to reimbursing certain out-of-pocket expenses.

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 9, 2026 (the "**Record Date**").

Who Can Vote

Any shareholder of record at the close of business on March 9, 2026 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.

For personal use only

How to Vote

<table>
<tr><th></th><th>Registered Shareholders</th><th>Non-Registered or Beneficial Shareholders</th><th>CHESS Depositary Interests Holders</th></tr>
<tr><td>What type of Shareholder are you?</td><td>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 Form of Proxy is included with your Meeting Materials.</td><td>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 Voting Instruction Form ("VIF") is included with your Meeting Materials from your broker, bank, trust company, or intermediary</td><td>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.</td></tr>
<tr><td>Attending in Person</td><td>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.</td><td>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.</td><td>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.</td></tr>
</table>

For personal use only

For personal use only

	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., 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6. 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; or • 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. Alternatively, you may call a toll-free number or go online to www.proxyvote.com to vote. Capstone may utilize the Broadridge Quickvote™ service to assist Capstone shareholders with voting their shares. Eligible NOBOs may be contacted by Laurel Hill to conveniently obtain a vote directly over the phone.	Complete and return your CDI Voting Instruction Form to Computershare AUS by no later than **11:00 a.m. (Australian Eastern Time) on April 27, 2026**, 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; or • 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; or • Sending a notice in writing to Computershare at 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6 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 27, 2026.**

If you have further questions or require assistance with voting your shares, contact Capstone's proxy solicitation agent and shareholder communications advisor, Laurel Hill Advisory Group, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (collect call outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com. CDI holders who have questions or need assistance with voting your shares can also contact Laurel Hill toll-free at 1-800-861-409.

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, Peter Meredith (Lead Director), Cashel Meagher (CEO), and Wendy King (General Counsel), will be your proxyholders.

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 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.

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 in favor of the resolution.

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.



Capstone Board of Directors Nominees 2026 (left to right): Alison Baker, Rick Coleman, Anne Giardini, Peter Meredith, Cashel Meagher, John MacKenzie, Patricia Palacios and Gordon Bell.

For personal use only

BOARD COMPOSITION

The Board is committed to maintaining a balance of independent leadership, diversity and experience to provide effective oversight. A majority of the Board is independent, ensuring strong governance and objective decision-making. The Board also recognizes the importance of diversity in its composition, including factors such as gender, ethnicity, background and professional expertise, to reflect the evolving needs of the business and stakeholders.

37.5%	12.5%	2.9 years	75%
are female	**are ethnically and racially diverse**	**average tenure**	**independence**

Skills

The following matrix displays the most significant skills and qualifications that each director nominee possesses. The Governance, Nominating & Sustainability Committee reviews the composition of the Board annually to ensure that the Board holds the necessary skills and expertise to provide effective oversight of Capstone's business. This review considers the Board's current and future needs in alignment with Capstone's strategic direction, operating requirements and the long-term interest of shareholders. For further detail, please refer to the Board's skills matrix on page 29.

DIRECTOR NOMINEES	Health, Safety & Environment Leadership	Strategic Leadership	Corporate Finance/Capital Markets	Risk Management	Mergers & Acquisitions	Sustainability/ESG/ Stakeholder Engagement	Mining Operations	Major Capital Projects & Construction	Industry Knowledge	Government Relations/Social, Economic, Foreign Policy	Tenure	Age	Gender	Race/Ethnicity	Independence
Alison Baker		✓	✓	✓	✓	✓			✓		4	55	F	White	Y
Gordon Bell	✓	✓	✓	✓	✓	✓	✓	✓	✓		2	68	M	White	Y
Richard Coleman	✓	✓		✓	✓	✓	✓	✓	✓		1	71	M	White	Y
Anne Giardini	✓	✓	✓	✓	✓	✓		✓	✓	✓	4	66	F	White	Y
John MacKenzie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4	57	M	White	N[15]
Cashel Meagher	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	53	M	White	N[16]
Peter Meredith	✓	✓	✓	✓	✓	✓			✓	✓	4	82	M	White	Y
Patricia Palacios	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	59	F	Hispanic/ Latino	Y
TOTAL AVERAGE	88%	100%	88%	100%	100%	100%	63%	75%	100%	63%	2.9[17]	62.8[18]	37.5% Gender Diverse	12.5% Racially/ Ethnically Diverse	75% Independent

15 As Capstone's former Chief Executive Officer, Mr. MacKenzie has a material relationship with the Company and is therefore deemed non-independent.
16 As Capstone's current President & Chief Executive Officer, Mr. Meagher has a material relationship with the Company and is therefore deemed non-independent.
17 Average tenure following the AGM assuming all director nominees are elected.
18 Average age following the AGM assuming all director nominees are elected.

For personal use only

For personal use only

Alison Baker | 55

Winchester, England
Director Since: March 23, 2022

Audit Committee Chair

Since August 2022



Principal Occupation: Corporate Director

Independent: Yes

2025 Voting Results: 99.19% For

Other Current Public Boards[19]

- Endeavour Mining plc (TSX, LSE)
- Helios Towers plc (LSE)
- Rockhopper Exploration plc (AIM)
- Central Asia Metals plc (AIM)

Other Public Boards in the past five years

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

Professional Experience:

PricewaterhouseCoopers, professional services and accounting firm
- Partner, UK and EMEA Oil and Gas Practice (2012-2017)

Ernst & Young, professional services and accounting firm
- Partner, UK Energy, Utilities and Mining Assurance Practice (1993-2011)

Professional Designations/Education:

Chartered Accountant (CA), Institute of Chartered Accountants of England and Wales

Bachelor of Science in Mathematical Sciences, University of Bath

The Board of Directors has determined that Ms. Baker's extensive expertise in corporate finance, risk management, and accounting qualifies her to serve as a director. As a Chartered Accountant with over 25 years of experience providing audit, capital markets, advisory and assurance services, she brings valuable financial oversight and governance expertise.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
Audit Committee	6 of 6[20]	100%
HR&C Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
41,034	4,098	74,530	✓

19 During the year, Ms. Baker accepted an invitation to join the Board of Central Asia Metals plc, bringing her total to five public company board appointments, each with the role of Audit Committee Chair. She has given notice to Rockhopper Exploration plc that she will step down at the upcoming AGM. The Board evaluated the impact of these additional responsibilities on her capacity to serve Capstone. Given the short-term nature of the five mandates and Ms. Baker's demonstrated attendance record, the Board is satisfied that her ability to fulfill Capstone's duties has not been impaired.
20 Includes one joint meeting held with the GNS Committee to discuss climate-related risk and Sustainability reporting.



Gordon Bell | 68

Sutton, Ontario, Canada
Director Since: January 8, 2024

TOP Committee Chair
Since May 2024

Principal Occupation: Corporate Director

Independent: Yes

2025 Voting Results: 99.57% For

Other Current Public Boards

- Nil

Other Public Boards in the past five years

- Nil

Professional Experience:

RBC Capital Markets, global investment bank and financial services provider
- Vice Chairman, Mining and Metals Group (2017-2022)
- Managing Director & Global Head, Mining and Metals (1999-2017)

Golden Star Resources, gold mining company
- Vice President & Chief Financial Officer (1995-1999)

Professional Designations/Education:

Bachelor of Science in Mining Engineering, Queens University

MBA, Washington University in St. Louis, Missouri

The Board of Directors has determined that Mr. Bell's expertise in corporate strategy, debt and equity financing, shareholder engagement, and mergers and acquisitions, combined with his extensive experience in the mining industry, qualifies him to serve as a director. With over 40 years in the industry, including leadership roles at RBC Capital Markets, Mr. Bell brings invaluable knowledge in mining and metals, both at a global level and within corporate governance.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
Audit Committee	6 of 6[21]	100%
TOP Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
24,714	20,000	33,863	✓

21 Includes one joint meeting held with the GNS Committee to discuss climate-related risk and Sustainability reporting.

For personal use only



Richard Coleman | 71 Director

Scottsdale, AZ, USA
Director Since: January 15, 2025

Principal Occupation: Corporate Director

Independent: Yes

2025 Voting Results: 99.98% For

Other Current Public Boards

- Nil

Other Public Boards in the past five years

- Nil

Professional Experience:

Freeport-McMoRan, international metals company
- Executive Advisor, Freeport-McMoRan Inc (2023-2024)
- President, Growth Support, Freeport-McMoRan Inc (2022-2024)
- President, Freeport-McMoRan Mining Company (2009 – 2022)

Professional Designations/Education:

Mining and Mineral Processing, Haileybury School of Mines

Extractive Metallurgy, British Columbia Institute of Technology

The Board of Directors has determined that Mr. Coleman's extensive experience in mining operations, development and growth qualifies him to serve as a director. With more than 40 years in the industry, including 30 years at Freeport-McMoRan Inc., Mr. Coleman has led technical and operations teams globally. He has successfully overseen and completed major capital projects, bringing valuable expertise in process design, project execution, and operational innovation to the Board.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
GNS Committee	8 of 8[22]	100%
TOP Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
15,063	30,000	19,897	✓

22 Includes one joint meeting held with the Audit Committee to discuss climate-related risk and Sustainability reporting.

For personal use only

For personal use only



Anne Giardini, KC | 66

Rome, Italy
Director Since: March 23, 2022

GNS Committee Chair
Since August 2022

Principal Occupation: Corporate Director/Consultant

Independent: Yes

2025 Voting Results: 98.20% For

Other Current Public Boards

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

Other Public Boards in the past five years

- Capstone Mining Corp. (TSX)

Professional Experience:

Weyerhaeuser Company Limited, forest product manufacturing
- President (2008-2014)
- Vice-President and General Counsel (2006-2008)
- General Counsel (1994-2006)

Professional Designations/Education:

LLM, Law, Cambridge University

LLB, Law, University of British Columbia

The Board of Directors has determined that Ms. Giardini's extensive leadership experience as a corporate director, senior executive, and legal professional qualifies her to serve as a director. With over 30 years as a lawyer, senior advisor, and executive, including her tenure as President of Weyerhaeuser Company Limited, she brings deep expertise in natural resource development, public and government relations, risk management, corporate finance, and corporate governance. In addition, Ms. Giardini has advised on and directly managed human resources, labour relations and compensation programs, overseeing policy design, collective agreement negotiations and incentive and remuneration structures, and she has served on, and chaired, board committees that focus on human resources, labour and compensation matters. This blend of strategic, operational and people-focused experience strengthens her ability to lead the Human Resources and Compensation Committee and to contribute to Capstone's overall governance and value creation objectives.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
Audit Committee	6 of 6[23]	100%
GNS Committee[24]	8 of 8[25]	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
46,018	9,564	78,219	✓

23 Includes one joint meeting held with the GNS Committee to discuss climate-related risk and Sustainability reporting.
24 Ms. Giardini currently serves as Chair of the GNS Committee. Effective April 30, 2026, she will step down from her role as Chair and remain on the GNS Committee as a member.
25 Includes one joint meeting with the Audit Committee to discuss climate-related risk and Sustainability reporting.



John MacKenzie | 57 — Board Chair

London, UK
Director Since: March 23, 2022

Principal Occupation: Corporate Director[26]

Independent: No

2025 Voting Results: 98.90% For

Other Current Public Boards

- Gold Fields Limited (JSE, NYSE)

Other Public Boards in the past five years

- KAZ Minerals plc (LSE)
- Horizonte Minerals Plc (TSX, AIM)

Professional Experience:

Capstone Copper Corp.
- Director & CEO (2022-present)

Mantos Copper (Bermuda) Limited, copper mining company
- Chairman and Founder (2015-2022)

Audley Capital Advisors LLP, private equity firm
- CEO, Mining (2013-2022)

Anglo American, global mining company
- Member of Executive Committee & CEO, Copper (2009-2013)
- CEO, Zinc (2006-2009)

Professional Designations/Education:

Master of Science in Mining Engineering, University of the Witwatersrand

Master of Business Leadership, University of South Africa

Advanced Management Program, Harvard Business School

The Board of Directors has determined that Mr. MacKenzie's extensive experience in mining, including over 30 years in executive management, operations and investment, qualifies him to serve as a director.

Capstone Board/Committee Memberships

	2025 Attendance[27]	
Board	12 of 12	100%

Securities Held as of the Record Date

Options	Common Shares	PSUs	RSUs	DSUs	Meets Shareholding Requirements
1,168,817	11,000,040	519,720	259,861	13,943	✓

26 Mr. MacKenzie retired from his position as Chief Executive Officer on May 2, 2025 and transitioned to Non-Executive Board Chair.
27 Mr. MacKenzie attended 100% of all the meetings of the four committees in his capacity as an ex officio.

For personal use only



Cashel Meagher | 53 Executive Director

Mississauga, Ontario, Canada
Director Since: May 2, 2025

Principal Occupation: President & Chief Executive Officer

Independent: No[28]

2025 Voting Results: 99.89% For

Other Current Public Boards

- Nil

Other Public Boards in the past five years

- Generation Mining Limited (TSX)

Professional Experience:

Capstone Copper Corp.
- President & CEO (2025-present)
- President & COO (2022-2025)

Hudbay Minerals Inc., mining company
- Senior Vice President and Chief Operating Officer (2015-2021)
- VP, South America (2011-2015)
- VP, Exploration (2010-2011)

Professional Designations/Education:

Professional Geoscientist, Association of Professional Geoscientists of Ontario

Joint Advanced Major in Geology and Chemistry, Saint Francis Xavier University

The Board of Directors has determined that Mr. Meagher's extensive experience in mining operations, exploration and project development, along with his senior leadership roles in international mining companies, qualifies him to serve as a director by bringing expertise in business development, operational management, and technical services.

Capstone Board/Committee Memberships

	2025 Attendance[29]	
Board	11 of 11[30]	100%

Securities Held as of the Record Date

Options	Common Shares	PSUs	RSUs	Meets Shareholding Requirements
491,623	230,255	676,842	273,237	✓

28 Mr. Meagher is the President & Chief Executive Officer of Capstone, and is therefore deemed non-independent.
29 Following his election to the Board on May 2, 2025, Mr. Meagher attended 100% of all the meetings of the four committees in his capacity as an ex officio.
30 Mr. Meagher attended 11 of 12 Board meetings held during the year. The meeting not attended was an in camera session of the Board held prior to his election as a director, at which time he served as President and Chief Operating Officer and was not yet a member of the Board.

For personal use only



Peter Meredith | 82

Vancouver, British Columbia, Canada
Director Since: March 23, 2022

Lead Director

Since May 2023

Principal Occupation: Corporate Director

Independent: Yes

2025 Voting Results: 99.43% For

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)

Professional Experience:

Great Canadian Gaming Corporation, Canadian gaming, entertainment and hospitality company
- Chairman (2015-2021)

Turquoise Hill Resources Ltd., (formerly the original Ivanhoe Mines)
- Deputy Chairman (2006-2012)

Ivanhoe Mines, mining company
- Director and Chief Financial Officer (1999-2006)

Deloitte LLP, professional services and accounting firm
- Partner (1976-1996)

Professional Designations/Education:

Chartered Professional Accountant, Chartered Professional Accountants of British Columbia and Ontario

The Board of Directors has determined that Mr. Meredith's extensive experience in corporate leadership, governance and financial management qualifies him to serve as a director and as Lead Independent Director. With 55+ years of experience as a Chartered Professional Accountant, he brings deep financial expertise and strategic oversight.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
Audit Committee	5 of 5[31]	100%
HR&C Committee[32]	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
46,018	120,118	347,811	✓

31 Includes one joint meeting held with the GNS Committee to discuss climate-related risk and Sustainability reporting.
32 Mr. Meredith currently serves as the Chair of the HR&C Committee. Effective April 30, 2026, he will step down from his role as Chair and remain on the HR&C Committee as a member.

For personal use only



Patricia Palacios | 59 Director

Concepción, Chile
Director Since: May 3, 2023

Principal Occupation: Corporate Director

Independent: Yes

2025 Voting Results: 99.46% For

Other Current Public Boards

- Nil

Other Public Boards in the past five years

- Nil

Professional Experience:

AME SPA, developer and operator of conventional and renewable power generation projects
- General Manager of HIF (2019-2021)

Innergy Holdings, SA, natural gas trading company
- General Manager and Legal Manager (2007-2019)

Münzenmayer Abogados S.A., law firm
- Associate (2003-2006)

Professional Designations/Education:

Bachelor in Legal and Social Sciences, Universidad de Concepción

Masters of Education in Human Resources and Organizational Development, University of Louisville, Kentucky

Diploma in Antitrust Regulation, Pontificia Universidad Católica de Chile

The Board of Directors has determined that Ms. Palacios' extensive experience as a lawyer, senior executive, sustainability leader and experience with regulated industries in Chile qualify her to serve as a director. With over 30 years in legal and executive roles across the energy and infrastructure sectors, she brings valuable expertise in public and government relations, permitting, and organizational development.

Capstone Board/Committee Memberships

	2025 Attendance	
Board	12 of 12	100%
HR&C Committee	6 of 6	100%
GNS Committee[33]	8 of 8[34]	100%
TOP Committee	6 of 6	100%

Securities Held as of the Record Date

Options	Common Shares	DSUs	Meets Shareholding Requirements
32,370	Nil	45,731	✓

33 Effective April 30, 2026, Ms. Palacios will assume the role of Chair of the GNS Committee.
34 Includes one joint meeting with the Audit Committee to discuss climate-related risk and Sustainability reporting.

For personal use only

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 26, 2026**. A copy of our Advance Notice Policy is attached as Schedule "A" 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. John MacKenzie served as a director of Horizonte Minerals Plc ("Horizonte") from July 11, 2023 to August 5, 2024. Horizonte owns 100% interest in the Araguaia Nickel Project, located in Pará State, Brazil. On May 16, 2024, Horizonte announced that it was placed into administration after being unable to secure the full financing necessary to complete the project.

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.

For personal use only

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	Six of our eight directors are independent (75% independent)
	The Board has an independent Lead Director
	All our Board committees (Audit, Human Resource & Compensation, Governance, Nominating & Sustainability, Technical & Operational Performance) are composed exclusively of independent Directors
	The roles of Chair and CEO are separate
Diversity	Three female directors on the Board (37.5% female directors)
	One racially/ethnically diverse director on the Board
Shareholder Rights	All Directors are elected annually
	Majority Voting Policy applies to all directors in uncontested elections
	Shareholders representing at least 5% of outstanding shares are able to call special meetings
	Proactive Shareholder engagement is conducted on a year-round basis and informs Board and Management decision-making
Board Oversight	Oversight of the corporate strategy and annual operating plan, including regular strategic reviews and an annual off-site strategy session
	Oversight of Enterprise Risk Management (“ERM”), including financial, operational, regulatory and strategic risks
	Oversight of Sustainability matters, including sustainability performance and related disclosures
	Oversight of Capstone’s Code of Conduct (as defined below), workplace culture and values
	Oversight of cybersecurity matters, artificial intelligence (AI) governance, whistleblower reporting and global insurance programs
	Oversight of executive compensation, talent development and succession planning
	Annual assessment of Board, committee and director effectiveness. In September 2025, the GNS Committee engaged an independent third-party Board evaluation, the results of which are used to inform governance enhancements
Corporate Governance Practices	Prohibition on hedging by directors and management
	Clawback policy applicable to management compensation
	Significant share ownership requirements for Directors and Management (Page 48)
	Comprehensive director orientation and ongoing continuing education programs

For personal use only

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, sustainability 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						NON-INDEPENDENT	
	Alison Baker	Gordon Bell	Richard Coleman	Anne Giardini	Peter Meredith	Patricia Palacios	John MacKenzie[35]	Cashel Meagher[36]
Audit Committee	C	M		M	M			
Governance, Nominating & Sustainability Committee			M	C		M		
Human Resource & Compensation Committee	M				C	M		
Technical & Operational Performance Committee		C	M			M		

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[37] 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).

35 Mr. MacKenzie serves as Chair of the Board of Capstone and attends all Board and committee meetings ex officio.
36 Mr. Meagher currently serves as President & Chief Executive Officer of Capstone Copper Corp. and attends all Board and committee meetings ex officio.
37 All nominated members of the four committees of the Board qualify as independent directors pursuant to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees.*

For personal use only

Attendance of Directors at Board and Committee Meetings

In 2025, the Board held a total of 12 meetings. 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 2025.



In Camera Sessions

The Board's policy is to hold in camera sessions at the end of each Board meeting, during which non-independent Directors and members of Management do not attend. In camera sessions are generally held, but the Board and committees may determine that they are not required on a particular occasion. When held, in camera sessions typically include separate discussions with non-independent Directors and independent Directors, with the latter led by the Lead Director.

Directorships

In addition to their positions on the Board, the following Directors 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, Rockhopper Exploration plc and Central Asia Metals plc[38]
Gordon Bell	Nil
Richard Coleman	Nil
Anne Giardini	K92 Mining Inc. and Stella-Jones Inc.
John MacKenzie	Gold Fields Limited
Cashel Meagher	Nil
Peter Meredith	Ivanhoe Mines Ltd.
Patricia Palacios	Nil

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.

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 fixed limits on a director's term could diminish the value of experience and continuity, and might exclude individuals who could make significant contributions. Board renewal is managed through a rigorous annual review of Directors and overall Board effectiveness, which includes skills gap analysis, diversity considerations, and ongoing assessment of independence. Following the AGM, the average tenure of the Board will be 2.9 years.

38 During the year, Ms. Baker accepted an invitation to join the Board of Central Asia Metals plc, bringing her total to five public company board appointments, each with the role of Audit Committee Chair. She has given notice to Rockhopper Exploration plc that she will step down at the upcoming AGM. The Board evaluated the impact of these additional responsibilities on her capacity to serve Capstone. Given the short-term nature of the five mandates and Ms. Baker's demonstrated attendance record, the Board is satisfied that her ability to fulfill Capstone's duties has not been impaired.

For personal use only

Conflict of Interest

As part of the annual Board assessment process, Directors complete a governance questionnaire designed to assess key compliance and disclosure requirements. This includes a section requiring Directors to disclose any existing or potential material conflicts of interest between themselves and Capstone or its subsidiaries, as well as any material interest, director or indirect, in transactions that occurred during the last fiscal year or in any proposed transaction that has materially affected or could materially affect the Company or its subsidiaries. As of the most recent assessment, no Directors have disclosed any material conflicts of interest.

Diversity

Capstone is committed to maintaining a Board composed of individuals with diverse skills, experience and perspectives. Our Diversity and Inclusion Policy (the "**Diversity Policy**") provides that diversity considerations form part of the Board's succession planning and director nomination process.

In identifying and evaluating suitable candidates for nomination or appointment to the Board, the GNS Committee considers:

- 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.

The Diversity Policy provides that the initial list of candidates for any Board vacancy shall include at least one female candidate. If a female candidate is not selected, the Board must be satisfied that the decision is based on objective criteria and the overall needs of the Board.

The GNS Committee reviews the effectiveness of the Diversity Policy annually, including progress in Board and Management composition.

In 2023, the Board achieved its target of 30% female representation and currently maintains female representation of at least 37.5%. While the Board has not established formal targets with respect to other aspects of diversity, it considers a range of backgrounds and perspectives in its nomination process. In 2023, the Board appointed Patricia Palacios, its first Latin-American director.

The Diversity Policy may be accessed on Capstone's website at www.capstonecopper.com/about-us/governance/.

Board Commitment to Ongoing Director Education & Strategic Dialogue

The Board has adopted a formal Director's Orientation and Education Process that sets out the education support and ongoing program provided to every Director. New Directors receive a comprehensive electronic board manual, site visits, and an in-depth seminar that may include an introduction to mining (as needed). They also meet with members of Management, as well as external advisors to become fully acquainted with Capstone's business and operations, including but not limited to:

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

Resources Provided to All Directors:

- a digital board manual which provides information such as position descriptions for the Lead Director, 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.

Ongoing Learning Culture:

- Directors are encouraged to communicate proactively with Management, auditors, technical consultants and compensation advisors.;
- They are expected to stay current on industry trends, regulatory changes, and best-practice governance, with Management's assistance in locating relevant seminars, webinars and conferences; and
- Directors have full access to Capstone's records and may visit Capstone's operations sites at any time.

For personal use only

Continuous Professional Development:

The Board believes that continuing education is essential for:

- staying informed of evolving governance best practices and legal regulatory requirements;
- Deepening understanding of the strategic issues that affect Capstone; and
- Enhancing the quality of Board discussions and decision-making.

Management delivers regular education presentations on key topics. Over the past year, Directors have participated in continuing education programs relevant to Capstone's business and industry. Several Directors also completed professional development activities to satisfy continuing professional development requirements associated with their professional designations.

In 2025, Directors participated in Board education sessions delivered by Management and external advisors:

Topic/Event	Date	Participants
M&A Preparedness (presented by Blakes)	February 2025	Board Members and Executive Team
D&O Insurance (presented by Aon)	May 2025	Board Members and Executive Team
Chile Crime Prevention Model (presented by Capstone Chile Legal and Compliance)	October 2025	Board Members and Executive Team
Innovation in Mining (presented by SVP, Technical Services)	November 2025	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 GNS Committee conducts an annual assessment of the Board's effectiveness to support continuous improvement and strong governance practices. The assessment includes the following elements:

- Board and committee performance evaluation questionnaires including a self-assessment by each director and an assessment by members of Management;
- Evaluation questionnaires for the Chair, Lead Director and committee chairs; and
- One-on-one confidential meetings between the Lead Director and each director to discuss questionnaire feedback and peer evaluations.

As part of the Board assessment process, Directors evaluate various aspects of Board effectiveness, including the structure and size of the Board, the collective knowledge and diversity of its members, the timeliness and completeness of information received from

For personal use only

Management, the relationship with Management and the overall effectiveness of the decision-making process. The assessment is designed to identify areas for improvement and enhance the Board's functionality.

In 2023, we expanded our evaluation process to include specific ESG-related assessments. Directors now rate the Board's collective experience in ESG matters, including their understanding of ESG principles, their satisfaction with the Board's level of responsibility in overseeing ESG initiatives, and how effectively ESG oversight aligns with Capstone's strategy. Additionally, Directors assess the frequency and depth of ESG topics discussed at meetings to ensure they receive appropriate attention.

In 2025, the GNS Committee engaged an independent third party to conduct a Board effectiveness evaluation. The evaluation included confidential interviews with all directors and members of Management, and resulted in a comprehensive report discussed at the Board Strategy Meeting in November 2025. The Lead Director used the finalized report as a framework for his peer-evaluation discussions with fellow directors.

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 director candidates based on an analysis of the Board's skills matrix and the long-term plan for Board composition, with the objective of ensuring that the Board collectively possesses the appropriate industry, market, technical, ESG/sustainability, and professional expertise required for effective governance. A recruitment firm may be retained, as appropriate, to identify a broad slate of candidates. In evaluating candidates, the GNS Committee considers a range of factors, including skills, expertise, experience, independence, diversity and overall fit with the Board. 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 2025

On May 2, 2025, Darren Pylot retired from the Board of Directors. John MacKenzie stepped down as CEO and assumed the role of Non-Executive Chair of the Board. Cashel Meagher joined the Board with his transition from President & COO to President & CEO. James Whittaker, formerly Senior Vice President, Head of Chile, succeeded Mr. Meagher as COO.

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. Meagher 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.

For personal use only

Assessment of Key Skills & Experience

When conducting its review of the appropriate skills desired of Directors, the GNS Committee particularly considers the skills, experiences, qualifications and expertise that are critical to the Board's ability to provide effective oversight of the Company and are directly relevant to Capstone's strategy, operations and overall business. These are as follows:

Qualifications & experience	How it relates to Capstone's strategy, operations, and overall business	What the Board is looking for
Health, Safety and Environment Leadership	Safety is one of Capstone's values. Safety is non-negotiable and involves making safe choices which ensures we can improve the health and well-being of our people, contractors and communities. Zero harm is the ultimate goal.	Current or former CEO or head of a significant department of a company of comparable size, scope, complexity and industry as Capstone, with exposure to health, safety and environmental matters. Current or former administrator of a government health and safety agency or committee with responsibility for health and safety matters.
Strategic leadership	Capstone's business includes a portfolio of long-life assets in various jurisdictions and involves complex operations, human capital management, strategic planning, and risk management.	Current or former leadership experience as a CEO, senior executive, or leader of a significant line-of-business at an organization of similar size, scope and complexity as Capstone.
Corporate finance/capital markets	Capstone's business is complex and operates across multiple jurisdictions, requiring sophisticated financial management and capital allocation.	Significant work experience in finance and/or capital markets of companies of a similar size, scope and complexity as Capstone, including, as a current or former CEO, CFO, or controller, a current or former partner at an accounting firm, or a person responsible for the financial affairs of a nonprofit.
Risk management	Mining is a complex business and as such, risk management is vital to operating a successful enterprise. We do everything honestly, ethically, fairly and transparently in an effort to mitigate risk.	Current or former leadership experience as a CEO, senior executive, or leader of a significant line-of-business at an organization of similar size, scope and complexity of Capstone.
Mergers & acquisitions	Capstone is focused on creating growth and generating value for our investors. We have a healthy pipeline of organic growth projects, but consistently monitor the industry for value-accretive M&A opportunities that would help advance our strategy.	Current or former CEO, senior executive, or leader of a significant project of a mining company with experience recently completing a major M&A transaction. Former senior investment banker with experience across various M&A transactions, both mining and otherwise.
Audit & Financial Literacy	Capstone's business is multifaceted and requires complex financial reporting processes aligned with industry standards.	Significant work experience in the accounting of companies of a similar size, scope and complexity as Capstone, including, as a current or former CEO, CFO, controller, or former partner at an accounting firm.
Governance/Board	Capstone's operations are complex and involves various processes, requiring	Current or former leadership experience as a CEO, senior executive, or leader of a significant

For personal use only

Qualifications & experience	How it relates to Capstone's strategy, operations, and overall business	What the Board is looking for
	human capital management, strategic planning and risk management.	line-of-business at an organization of similar size, scope and complexity of Capstone.
Human Resource, Labour Relations, and Executive Compensation	Capstone has a growing team of employees and contractors in Canada, Chile, the U.S. and Mexico.	Current or former CEO, senior executive, or leader of a significant business operations with extensive human resource experience. Current or former CEO, senior executive, or leader of a significant business operations with experience in labour relations in the mining industry. Significant experience in dealing with matters involving HR, labour relations and executive compensation.
Sustainability/ESG/stakeholder engagement	Capstone's goal is to be a responsible, industry-leading source of copper. Our commitment to ethical and responsible mining is deeply rooted in our business philosophy, central to our values and vital to our success. Capstone's Sustainable Development Strategy is based on five initial priorities: climate, water, tailings, biodiversity and communities.	Current or former CEO or head of a significant department of a company of comparable size, scope, complexity and industry as Capstone, with exposure to sustainability and ESG. Current or former administrator of a government environmental agency or committee with responsibility for environmental matters. Current or former senior-level employee at a nongovernmental organization focused on ESG or sustainability. Significant experience managing stakeholder engagement.
Diversity of Thought/Non-industry knowledge	Capstone's business is multifaceted and as it grows will continually have to leverage both industry and non-industry knowledge to execute on our strategy. Diversity of thought and broad strategic analysis will benefit Capstone's business in pursuit of our goals.	Current or former leadership experience as a CEO, senior executive, or leader of significant business operation in an industry other than mining, with transferrable skills or expertise that could be applied to Capstone's business.
Mining operations	Capstone Copper is a premier copper producer operating innovatively in the Americas. From exploration to mine development to operations, we are focused on creating growth and generating value for our investors, employees and communities as we meet the surging global copper demand.	Current or former leadership experience as a CEO, senior executive, or leader of a significant line-of-business at a mining company of a similar commodity focus, jurisdiction, size, scope and complexity as Capstone.
Major Capital Projects & Construction Management	We are focused on growth and committed to unlocking the full potential of ourselves, our teams and our resources. Capstone's portfolio includes a fully permitted development project in Chile. Our strategy involves transformational growth as we build the next generation of responsible copper mines.	Current or former CEO, senior executive, or leader of a significant project of a mining or industrial company with experience recently completing a major development project of a similar size, scope, scale or jurisdiction as Capstone's projects.

For personal use only

Qualifications & experience	How it relates to Capstone's strategy, operations, and overall business	What the Board is looking for
Industry Knowledge	Through a commitment to innovation, excellence and operating at the highest standards, we are focused on generating strong cash flows in all price environments at our multi-asset portfolio of mines and projects.	Current or former leadership experience as a CEO, senior executive, or leader of a significant line-of-business at a mining company of a similar commodity focus, jurisdiction, size, scope and complexity as Capstone.
Legal & Regulatory Compliance	Capstone's operations require compliance with a variety of regulatory requirements across the numerous jurisdictions in which we operate.	Senior lawyer at a law firm or in-house. Service on a commission or initiative with significant regulatory or public policy matters.
Government Relations/Social, Economic, Foreign Policy	Capstone conducts business in various countries in the Americas. The success of our business relies upon expertise around diverse business environments, government relations, economies and foreign policy.	Former appointment as an elected official or senior-level employee in the government. Senior lawyer at a law firm or in-house, or a senior executive at a company with extensive interaction with government representatives. Service on an initiative, committee or panel with significant regulatory or public policy matters. Significant experience in dealing with matters involving international affairs.
Information Technology/Cyber Security	Technology is at the core of Capstone's business and aligns with our goal of operating innovatively.	Current or former CEO, senior executive, or leader of a significant business operations involving technology, including cyber security issues.

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 – Extensive expertise, having led strategies or initiatives, and the ability to mentor or guide others in the field

● Silver – Experienced – Practical experience, having managed or actively contributed in the relevant area

● Bronze – Knowledgeable – Basic understanding or limited exposure to the area, with minimal involvement in relevant activities

Summary of Director Qualification and Experience	Baker	Bell	Coleman	Giardini	MacKenzie	Meagher	Meredith	Palacios
Core Competencies								
Health, Safety & Environment (HSE) Leadership Experience with HSE standards and procedures, safety culture, and ensuring compliance with environmental regulations.	●	●	✓	✓	✓	✓	●	●
Strategic Leadership Experience leading organizations, setting strategic direction and driving performance	●	✓	✓	✓	✓	✓	✓	✓

For personal use only

Summary of Director Qualification and Experience	Baker	Bell	Coleman	Giardini	MacKenzie	Meagher	Meredith	Palacios
Corporate Finance/Capital Markets Knowledge in corporate finance, financial strategy, capital markets, corporate lending/borrowing, investor relations and public market transactions.	✓	✓	●	○	✓	○	✓	○
Risk Management Experience with identifying, assessing and mitigating risks, including financial, operational, regulatory and strategic risks.	✓	○	○	✓	○	○	○	○
Mergers & Acquisitions Experience with mergers, acquisitions, divestitures and business integration	○	✓	○	✓	✓	○	✓	○
Audit & Financial Literacy Experience and Ability to interpret and oversee financial statements, internal controls and audit process	✓	○	●	○	○	●	✓	○
Governance/Board Experience with governance principles, board processes and corporate oversight.	✓	✓	○	✓	○	○	✓	✓
Human Resource/Labour Relations/Executive Compensation Experience with HR strategy, labour relations and designing executive compensation frameworks.	●	●	○	○	○	✓	✓	○
Sustainability/ESG/Stakeholder Engagement Experience in sustainable development practices and ESG related issues in the mining industry.	○	○	○	✓	○	✓	○	✓
Diversity of Thought/Non-Industry Knowledge Ability to bring a fresh, non-industry perspective that supports diversity of thought and broadens strategic discussions.	○	●	●	○	●	○	●	✓
Strategic and Industry-Specific Competencies								
Mining Operations Experience with mining operations, including production, exploration, reserves, capital projects, metallurgy, mine development, and related technologies.	●	✓	✓	●	✓	✓	●	○
Major Capital Projects & Construction Management Project management expertise, particularly in large-scale mining projects, including mine development, construction, capital projects and expansion.	●	○	✓	○	✓	✓	●	○
Industry Knowledge Expertise in understanding the key issues facing the mining industry, including prices and currency volatility, future growth opportunities, global supply, access to capital, social license to operate, and the evolving regulatory environment.	○	✓	✓	○	✓	✓	○	○
Legal & Regulatory Compliance Expertise in legal matters, including regulatory compliance, contracts and corporate law.	●	○	○	✓	●	○	○	✓
Government Relations/Social, Economic, Foreign Policy Expertise in government relations, social, economic, and foreign policy, including your ability to engage with public stakeholders, understand regulatory environments and address geopolitical risks.	●	●	●	✓	○	✓	○	✓

For personal use only

Oversight and Management of Sustainability Matters

Accountability for sustainability impacts and performance is in place at all levels of the organization. Capstone's governance and accountability framework includes Board-level oversight, executive-level accountability and functional and operational responsibility for sustainability performance.

The whole Board is engaged on sustainability matters, as set out in our Board Oversight of Sustainability Terms of Reference. The Board oversees the effectiveness of policies, standards, guidelines, controls, reporting and disclosure with respect to Capstone's sustainability 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 the Sustainable Development Strategy and business strategy, disclosures, and stakeholder engagement to the GNS Committee and to the TOP Committee, oversight for environmental matters (including minimizing impact on the environment, environmental compliance and environmental incidents, employee health and safety and social performance and community investment.

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

Board Committee	Sustainability Oversight Responsibility
Audit Committee	• Sustainability disclosures – ensure disclosure of financially material impacts. • Processes and controls – ensure disclosures are accurate, comparable and consistent. • Assurance – ensure disclosures are reliable by independent review, as appropriate. • Sustainability risks specific to the Audit Committee including financial impacts and disclosure of material climate-related and other sustainability risks. • See also "Audit Committee Information" in the Company's most recent Annual Information Form.
Human Resources and Compensation Committee	• Accountability – ensure sustainability goals are integrated into executive compensation. • Talent and culture – ensure senior management has the right people in place to execute the Sustainable Development Strategy. • Sustainability risks specific to the Human Resources and Compensation Committee including labour practices, employee engagement, and diversity and inclusion.
Governance, Nominating and Sustainability Committee	• Engagement – ensure sustainability story is being effectively communicated to investors and stakeholders. • Board composition – ensure the Board has the necessary expertise and skills to oversee sustainability risks and opportunities. • Education and training – ensure directors and Senior Management have up-to-date knowledge related to sustainability risks and opportunities. • Sustainability risks specific to the Governance, Nominating and Sustainability Committee, including Board structure, membership and corporate governance compliance.
Technical and Operational Performance Committee	• Reporting – Ensures accurate and measurable technical data and performance to support sustainability disclosures and sustainability reporting. • Sustainability risks specific to the Technical and Operational Performance Committee including technical and operational risk related to tailings and waste management, water stewardship, environmental protection, climate change and carbon footprint, nature, occupational health and safety, security, and social performance and community investment.

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 three have an expert level of knowledge. Several members have competencies relevant to impacts associated with our Sustainable Development Strategy priorities (see table below). Sustainability matters are regularly discussed by the Board, which raises the sustainability competencies of all directors.

For personal use only

Board Competencies Related to Sustainable Development Strategy Priorities	Baker	Bell	Coleman	Giardini	Meagher	MacKenzie	Meredith	Palacios
Climate	✓	✓	✓	✓		✓		✓
Water			✓		✓	✓	✓	✓
Tailings		✓	✓		✓	✓		
Biodiversity				✓		✓		
Communities				✓	✓	✓	✓	✓

Executive accountability for sustainability impacts and performance is shared by members of the Executive Committee. The COO oversees strategies to align business operations with sustainability, including management of tailings, water resources, climate-related and health, safety and environment (HSE) impacts. The SVP, Risk, ESG and General Counsel monitors progress and changes related to our Sustainable Development Strategy and oversees Capstone's sustainability disclosures. The Executive Committee reports quarterly to the Board on sustainability-related impacts, risks and performance.

Site General Managers have operational responsibility for sustainability, with ESG and operational teams at each site responsible for environmental permitting, compliance and monitoring, HSE management and performance, tailings and water management and community investments and engagement. Corporate functional leads in key sustainability areas (such as tailings and water management and HSE), sustainability policy and strategy development, and reporting provide corporate level guidance and support site implementation.

Sustainable Development Strategy[39]

Capstone's Sustainable Development Strategy (the "Strategy") outlines our pathway to realizing significant targets under five strategic priorities that represent our greatest opportunity for positive sustainability impacts. Four working groups, reporting to senior executive sponsors, support implementation of the Strategy: Climate, Tailings and Water, Biodiversity and Communities. These working groups, composed of corporate and site representatives with responsibilities for managing impacts related to each priority, meet quarterly to review and report on progress towards achieving the Strategy targets. Senior management provides quarterly updates to the Board on this progress.

Climate

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

Water

Reduce freshwater use intensity by 2030, compared to a 2021 baseline.

Increase low quality or recycled water as a proportion of total water consumed by 2030, compared to a 2021 baseline.

Tailings

Implement the Global Industry Standard for Tailings Management (GISTM) across all Capstone TSFs by YE 2028.*

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

Biodiversity

All sites assessed against the Capstone Biodiversity Standard by 2025.

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

Communities

All sites assessed against the Capstone Social Performance Standard by 2025.

Policies relevant to Sustainability Matters

Capstone has a robust sustainability policy framework. These include our Code of Conduct Policy; Anti-Bribery Policy; Diversity and Inclusion Policy; Human Rights Policy; Integrated Health, Safety, Environment and Community Policy; Leaching and Waste Rock

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

For personal use only

Policy; Responsible Sourcing Policy; Supplier Code of Conduct; Tailings Management Policy; Water Stewardship Policy; and Whistleblower Policy. Senior Management is responsible for developing new Sustainability policies and reviewing and updating current Sustainability policies annually. The Board is responsible for approving Sustainability policies and any updates.

Communication of Ethical Concerns

Capstone has a Whistleblower Policy and a Whistleblower hotline (administered by an external third 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, such as mail, fax and other electronic means, 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 2025, Capstone received 56 concerns through our whistleblower channels, primarily consisting of internal employee reports related to HR matters such as workplace harassment, conflict of interest, and labour practices. Any serious allegations involving fraud or criminal activity are escalated to the Board. In certain cases, Capstone engages an independent third party to conduct an external investigation to ensure transparency and impartiality.

Sustainability Reporting

Capstone's 2024 Sustainability Report was reviewed and approved by the Board and published on October 15, 2025. It was prepared in accordance with the Global Reporting Initiative (GRI) Standards and the SASB Metals and Mining Sustainability Accounting Standard Version 2023-12 and incorporated disclosures related to the Task Force on Climate-related Financial Disclosures (TCFD). The report is supplemented by our 2024 Sustainability Performance Data Book, which contains five years of data for relevant material topics, by site. Capstone's 2025 Sustainability Report is expected to be published in Q2 2026.

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 sustainability-related global 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.

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 sustainability risk, information security and cybersecurity risks and the significant financial risks disclosed in Capstone's continuous and other public disclosure documents.
HR&C Committee	Oversight responsibility related to talent management, succession planning and other sustainability risks specific to the HR&C Committee and the business risk implications of our compensation policies and programs, as well as the compensation of directors.
GNS Committee	Oversight responsibility for risks related to Board structure, membership and corporate governance compliance and sustainability risks.
TOP Committee	Oversight responsibility for technical risk and operational risk related to production and costs, tailings and waste management, water stewardship, environmental protection, climate change and carbon footprint, nature, occupational health and safety, security, and social performance and community investment.

For personal use only

For personal use only

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 discuss key risks and opportunities during the annual strategic planning process. Additionally, Capstone's ERM system is integrated across all operations and informs the crisis management and emergency response plans and the global insurance program.

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

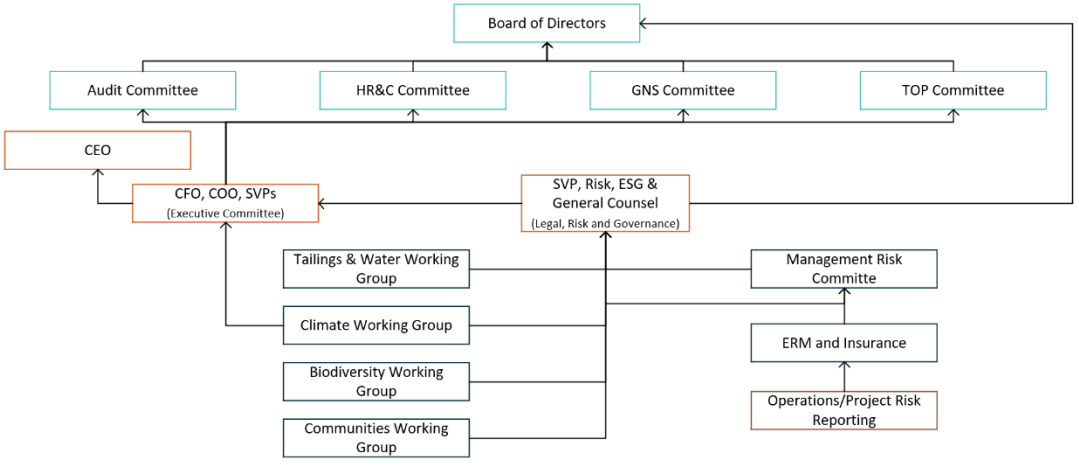
- Detailed risk registers are developed for the operating sites, major projects and corporate activities.
- The site and project risk registers are assessed, evaluated and updated through regular workshops or meetings with the general managers and their respective Management teams.
- The corporate risk 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 **Working Groups** tasked with assisting Management in implementing the Sustainable Development Strategy are also tasked with monitoring and reporting on risks and opportunities to their respective strategic priority areas. The **Tailings & Water Working Group** is led by our Director, Tailings & Civil Infrastructure, a tailings management professional, and provides tailings and water management guidance and oversight to ensure tailings and water risks and mitigation efforts are adequately understood and communicated and responsible tailings and water management practices are applied across all operations and projects. From time-to-time Capstone forms committees to manage emerging risks or crises such as the "Global Pandemic Response Team"[40] or provide strategic direction such as the "ESG Disclosure Committee".

Capstone's ERM System is regularly assessed against best practices and enhanced where appropriate. In addition to traditional measures of likelihood and consequence, 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 late 2024, Capstone introduced a new Risk Assessment Matrix, effective for the 2025 reporting cycle, which expands consequence criteria to include health and safety, environmental, community and social impacts, regulatory compliance, supply chain, operational downtime, financial and other strategic or macroeconomic considerations. This allows Capstone to assess sustainability risks alongside business risks. These enhancements improve the clarity of risk ownership, treatment expectations, and control accountability across the business. The new matrix is being integrated into Capstone's corporate standards and management systems.

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



40 The Global Cyber Committee was dissolved following an increase in IT resources across the organization. As a result, the cybersecurity function has been fully centralized and is now integrated into the regular duties of the IT department. The ESG Disclosure Committee was previously responsible for identifying, assessing, and determining sustainability topics that are material to Capstone, as well as supporting the design and oversight of risk management and internal control processes for financial, regulatory, and voluntary reporting. This committee has since been dissolved, with its responsibilities integrated into individual accountabilities and embedded within existing working groups and committees, reflecting the maturation and normalization of Sustainability/ESG-related processes across the organization.

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 Sustainable Development Strategy and sustainability performance.

In 2025, the Board adopted a Shareholder Engagement Policy that outlines Capstone's approach to engagement with shareholders including the role of the Board and Management in such engagement. Under the policy, the Board including through the Chair and committee chairs, may participate in shareholder engagement on governance related matters, while Management leads engagement on strategy, operations and performance. The Shareholder Engagement Policy is reviewed annually and is available on our website at www.capstonecopper.com.

	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

For personal use only

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 meetings 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 meetings 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 are 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, and Senior Vice Presidents ("Senior Officer") in the event of (i) 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, or (ii) a Senior Officer engages in serious misconduct, which includes fraud or intentional and/or reckless non-compliance with applicable laws, material violations of the Company's Code of Conduct Policy or other intentional conduct that causes material damage to the Company or its reputation.

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-

For personal use only

making, attracting talent, and driving business performance. It establishes guiding principles, including treating everyone with respect and embracing workforce diversity.

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 Health, Safety, Environment and Community (HSEC) Policy

Capstone has an integrated HSEC Policy aimed at safeguarding the health, safety and security of people, minimizing the impact of our activities on the natural environment, and building respectful relationships with the communities in which we operate. This commitment guides Capstone to implement robust risk management practices; reduce the use of natural resources and minimize emissions, releases and wastes; establish HSEC management systems and processes to drive continual improvement; provide safe and healthy working conditions; investigate causes of accidents and incidents, and develop effective preventative and remedial actions; ensure suitable training; engage in open and transparent communication with stakeholders; encourage local hiring and procurement; and monitor, measure and disclose HSEC related risks, impacts and performance.

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.

For personal use only

Responsible Sourcing Policy

Capstone has a Responsible Sourcing Policy that establishes expectations for ethical, sustainable, and responsible business practices across its supply chain. The policy aligns with Capstone's commitment to human rights, environmental stewardship, and anti-corruption, requiring suppliers to adhere to applicable laws and international standards. Capstone conducts due diligence to assess supplier risks and works to promote transparency and accountability in its procurement processes. This policy is integrated into supplier engagement and decision-making to ensure responsible sourcing practices that align with Capstone's values and sustainability goals.

Supplier Code of Conduct

Capstone's Supplier Code of Conduct sets out the minimum standard we expect from all suppliers, including consultants, contractors, vendors, and agents, reflecting our commitment to ethical business conduct, compliance with applicable laws and industry standards, and respect for human rights, health and safety, and the environment. The Supplier Code of Conduct requires suppliers to operate with integrity, including anti-bribery and anti-corruption practices, avoidance and reporting of conflicts of interest, adherence to sanctions and trade laws, protection of confidential information, respect for fair labour and working conditions, and responsible use and oversight of subcontractors.

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.

Tailings Management Policy

Capstone has a Tailings Management Policy that commits Capstone to adopt and implement the Global Industry Standard for Tailings Management (GISTM) at all Tailings Storage Facilities (TSFs) by year-end 2028. The policy outlines other key aspects of Capstone's commitment to safe and responsible tailings management including: adopting industry best available practices (BAP) and best available/applicable technologies (BAT); allocating appropriate human and financial resources; implementing a company-wide Tailings Management System (TMS); defining a governance structure with clear roles and responsibilities; establishing emergency preparedness, response and post-incident recovery participation in collaboration with authorities and communities of interest (COI); and engaging with COI in a manner that respects their human rights in relation to tailings management.

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.

Water Stewardship Policy

Capstone has adopted a new Water Stewardship Policy that sets the foundation for responsible water management across all our operations and over the full life cycle of our assets. The policy is designed to protect people and the environment, support the sustainability of our operations, and promote responsible engagement with the communities and watersheds in which we operate.

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.

For personal use only

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;
- financial related risks;
- information security and cybersecurity risks;
- Whistleblower Policy and related procedures; and
- compliance with regulatory and statutory requirements relating to tax and disclosure.

Members[41]	Independent	Financially Literate	2025 Attendance	
Alison Baker, CA (ICAEW) (Chair)	✓	✓	6 of 6[42]	100%
Gordon Bell	✓	✓	6 of 6[42]	100%
Anne Giardini	✓	✓	6 of 6[42]	100%
Peter Meredith, CPA, CA	✓	✓	6 of 6[42]	100%

The Audit Committee consists of four independent members of the Board, all of whom have significant financial expertise and are financially literate. Each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by Capstone's consolidated financial statements. Additionally, three members are designated as financial experts based on their extensive experience in accounting, finance and related fields.

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[41]	Independent	2025 Attendance	
Alison Baker	✓	6 of 6	100%
Peter Meredith (Chair)	✓	6 of 6	100%
Patricia Palacios	✓	6 of 6	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.

41 Members of the committees as of the Record Date.
42 Includes one joint meeting held with the GNS Committee to discuss climate-related risk and Sustainability reporting.

For personal use only

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 Sustainable Development Strategy and provide oversight of Sustainability disclosures.

Members[43]	Independent	2025 Attendance	
Anne Giardini (Chair)	✓	8 of 8[44]	100%
Richard Coleman	✓	8 of 8[44]	100%
Patricia Palacios	✓	8 of 8[44]	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 HSEC 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[43]	Independent	2025 Attendance	
Gordon Bell (Chair)	✓	6 of 6	100%
Richard Coleman	✓	6 of 6	100%
Patricia Palacios	✓	6 of 6	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.

For personal use only

43 Members of the committee as of the Record Date.
44 Includes one joint meeting held with the Audit Committee to discuss climate-related risk and Sustainability reporting.

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 2025 Performance

Capstone's 2025 key performance highlights are as follows. Refer to pages ii and 53 for a more detailed summary.

- Delivered record copper production and EBITDA generation while achieving consolidated production and cost guidance;
- Began to realize the benefits of delivering peer-leading copper growth through projects at Mantoverde and Mantos Blancos mines, while improving its balance sheet strength and financial flexibility;
- Executed on near-term growth; and
- Delivered several key catalysts to advance Capstone's future growth pipeline, including sanctioning the Mantoverde Optimized project, announcing a joint venture partner for the Santo Domingo project and initiating a new exploration program focused on the Mantoverde-Santo Domingo district.

Leadership Succession

As announced in October 2024, the following leadership changes took effect on May 2, 2025 and are reflected throughout the CD&A:

- John MacKenzie transitioned from CEO to the role of Non-Executive Chair of the Board;
- Cashel Meagher, former President and COO, succeeded Mr. MacKenzie as President & CEO and was appointed to the Board;
- James Whittaker, former SVP, Head of Chile, succeeded Mr. Meagher as SVP & COO; and
- Darren Pylot ended his term on the Board after over 20 years as a founder, CEO, and Chair of Capstone.

Key Compensation Activities in 2025

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 2025 included:

- Executed planned leadership succession changes in May 2025;
- Updated the compensation peer group for 2026;
- Reviewed executive pay levels based on updated the compensation peer group;
- Reviewed executive compensation risk;
- Updated Share Ownership Guidelines and reviewed our Clawback Policy;
- Continued our shareholder engagement on executive compensation design; and
- Reviewed CEO and executive team succession plans.

2025 CEO Pay

Mr. Meagher's actual total direct compensation ("**TDC**") for 2025 was $3.91 million, which included a short-term incentive award of $1,051,075 and a long-term equity incentive awards totaling $1.96 million at grant. The CEO's short-term incentive award was based on Capstone's overall performance relative to safety, environmental, ESG/sustainability, operational, financial and strategic objectives established by the Board at the start of the year (scoring 125%), as well as individual objectives (scoring 128%). The long-term equity incentives were in the form of Performance Share Units (50%), Restricted Share Units (25%) and 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 2025, which was based on market data from our compensation peer group as well as corporate and individual performance under our short-term plan, appropriately reflects Capstone's operating performance as well as Mr. Meagher's delivery on key strategic objectives that contribute to long-term shareholder value.

For personal use only

ESG/Sustainability

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 responsibly 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/Sustainability specific objectives on our Corporate Scorecard, that are directly linked to executive short-term incentives. Our ESG/Sustainability objectives (which include our focus on safety, the environment and our people) 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

For personal use only

Executive Summary

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

Our Compensation Governance Guidelines

✓	We pay for performance
✓	We engage an independent compensation advisor
✓	We benchmark our executive compensation program against an appropriate peer group
✓	More than 75% of CEO compensation and 69% of other Named Executive Officers ("**NEO**") target compensation is at risk, with annual base salary increases and incentive compensation not guaranteed
✓	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 do not reprice Options
✓	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 provide moderate executive perquisites that are consistent with market practice
✓	We do not offer loans to directors or executives
✓	We review compensation risk annually, and ensure a balanced focus in the Corporate Scorecard on financial, ESG/sustainability, 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

For personal use only

2025 Named Executive Officers Summary Compensation Table

For the financial year ended December 31, 2025, 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 (2023, 2024 and 2025).

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)[46]	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans ($)[47]	Long-Term Incentive Plans ($)			
Cashel Meagher President & CEO[48]	2025	802,804	1,466,250	488,750	1,051,075	-	-	100,411	3,909,290
	2024	676,000	861,900	287,300	550,602	-	-	84,172	2,459,974
	2023	650,000	828,750	276,250	512,460	-	-	85,613	2,353,073
John MacKenzie Board Chair (formerly CEO)[49]	2025	456,470[50]	-	2,400,000	1,453,621[51]	-	-	113,345[52]	4,423,436
	2024	960,000	1,800,000	600,000	918,720	-	-	128,300	4,407,020
	2023	910,000	1,706,250	568,750	874,874	-	-	62,430	4,122,304
Raman Randhawa Senior Vice President & CFO	2025	600,000	765,000	255,000	604,320	-	-	87,634	2,311,954
	2024	532,950	679,512	226,504	361,740	-	-	83,335	1,884,041
	2023	510,000	650,250	216,750	340,808	-	-	80,703	1,798,511
James Whittaker Senior Vice President & COO[53]	2025	686,205	874,911	291,637	729,299	-	-	8,308	2,590,360
	2024	663,000	745,875	248,625	531,063	-	-	17,873	2,206,436
	2023	270,833	-	-	466,050[54]	-	-	7,993	744,876
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	2025	475,000	534,375	178,125	448,519	-	-	70,743	1,706,762
	2024	451,568	508,014	169,338	306,502	-	-	72,802	1,508,224
	2023	434,200	488,475	162,825	280,385	-	-	76,506	1,442,391

46 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 $3.79 on February 26, 2025, $3.50 on February 28, 2024 and $3.10 on February 22, 2023.
47 The amounts earned as non-equity incentive pay compensation were paid during the subsequent financial year.
48 Mr. Meagher was appointed President & CEO on May 2, 2025.
49 Mr. MacKenzie transitioned from CEO to the role of Non-Executive Board Chair on May 2, 2025.
50 Mr. MacKenzie earned $323,692 in salary as CEO and $132,778 Board Chair fees.
51 Through his previous employment relationship with Mantos Copper, Mr. MacKenzie was entitled to receive a project milestone bonus for the MVDP. Mr. MacKenzie received a project milestone bonus of US$790,997 following his transition from CEO to the role of Non-Executive Chair of the Capstone Board of Directors.
52 Includes the value of Mr. MacKenzie's vacation payout following his transition from CEO to Non-Executive Chair ($43,314) and reimbursement for expenses related to relocation and tax support ($58,715).
53 Mr. Whittaker was appointed SVP & COO on May 2, 2025.
54 Mr. Whittaker was eligible for a full year, non-pro-rated bonus payment for 2023.

For personal use only

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)[46]	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans ($)[47]	Long-Term Incentive Plans ($)			
Chris Richter Senior Vice President, Corporate Development	2025	436,980	491,603	163,868	412,618	-	-	65,026	1,570,095
	2024	411,469	462,903	154,301	279,285	-	-	67,605	1,375,563
	2023	393,750	442,969	147,656	258,694	-	-	64,790	1,307,859

For personal use only

COMPENSATION GOVERNANCE

Roles of the Human Resources & Compensation Committee and Management

Peter Meredith, Alison Baker and Patricia Palacios 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.

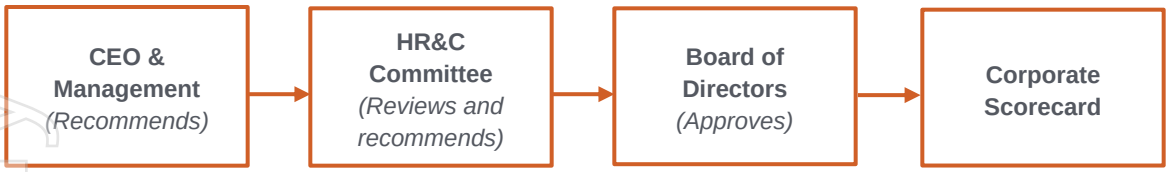
Role of HR&C Committee	Role of Management
In fulfilling its mandate, the HR&C Committee is responsible for the following: • reviewing the annual Corporate Scorecard objectives, which are ultimately approved by the Board, and then approving the Corporate Scorecard rating each year; • considering matters 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.

For personal use only

Decision Making Process

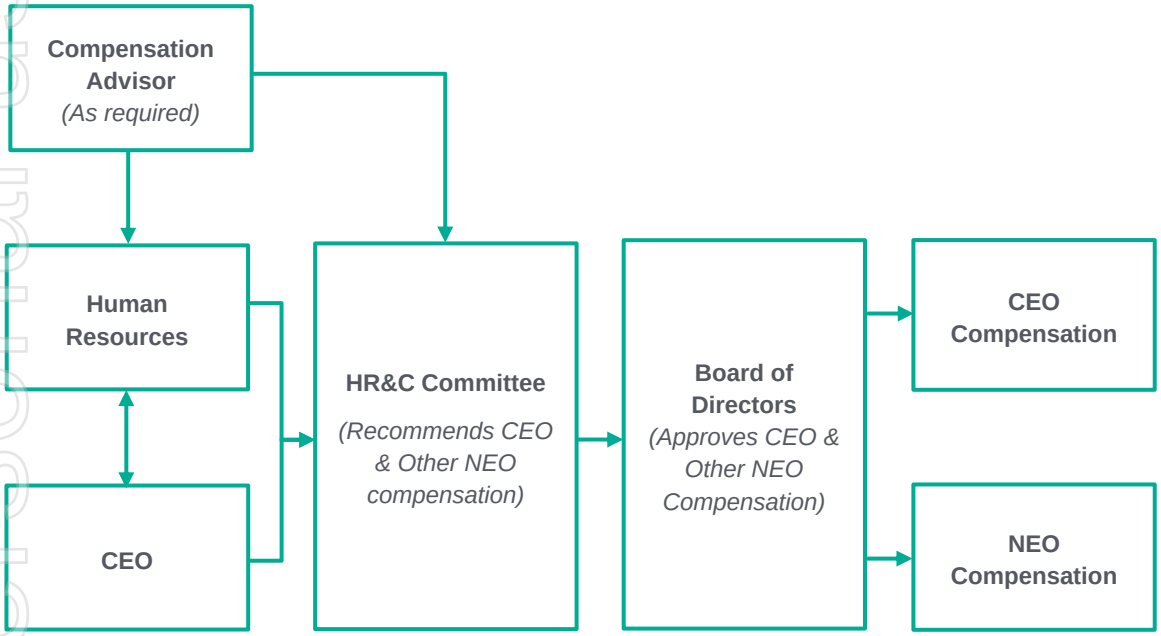
Corporate Scorecard Objectives & Weightings



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.

Annually, the third-party consultant completes a formal review of the risks associated with Capstone's compensation programs.

For personal use only

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

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 long-term incentive compensation.

Clawback Policy

Our Clawback Policy allows Capstone to recover performance-based compensation from the CEO, CFO, COO and Senior Vice Presidents ("Senior Officer") in the event of (i) 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 or (ii) a Senior Officer engages in serious misconduct, which includes fraud or intentional and/or reckless non-compliance with applicable laws, material violations of the Company's Code of Conduct Policy or other intentional conduct that causes material damage to the Company or its reputation.

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 executives 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;
- unvested and vested Restricted Share Units;
- unvested and vested Deferred Share Units;
- vested Performance Share Units;
- shares owned through Capstone's Employee Share Purchase Plan; and
- shares held by immediate family members; or held in trust; or family holding companies.

Options are excluded from the definition of share ownership. In December 2025, the Board amended the Share Ownership Guidelines to exclude unvested Performance Share Units. This change was made to align with compensation governance and market best practices.

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

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.

For personal use only

The following table provides information about the stock-based holdings of Capstone's NEOs, as at December 31, 2025.

Executive	Guideline: Multiple of Salary ($)	Status as at December 31, 2025[55]	Meets Requirement
Cashel Meagher President & CEO	4X $3,400,000	12.3X $10,450,476	✓
Raman Randhawa Senior Vice President & CFO	2X $1,200,000	23.1X $13,879,809	✓
James Whittaker Senior Vice President & COO	2X $1,372,410	3.0X $2,059,531	✓
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	2X $950,000	17.3X $8,204,957	✓
Chris Richter Senior Vice President, Corporate Development	2X $873,960	2.3X $1,000,139	✓

The following table provides information about the stock-based holdings of Capstone's independent directors, as at December 31, 2025.

Independent Director	Guideline: Multiple of Retainer ($)	Status as at December 31, 2025[55]	Meets Requirement
John MacKenzie	4X $800,000	794.8X $158,958,597	✓
Peter Meredith	4X $560,000	45.3X $6,339,985	✓
Alison Baker	4X $480,000	8.1X $975,417	✓
Anne Giardini	4X $480,000	8.1X $969,781	✓
Gordon Bell	4X $480,000	4.6X $634,156	✓
Patricia Palacios	4X $480,000	4.4X $522,097	✓
Richard Coleman[56]	4X $480,000	3.1X $372,804	On Track

55 The value calculated per share is the higher of the December 31, 2025 market price, being $13.78 on the TSX, and the original purchase price or exercise price on acquisition of the share.
56 Mr. Coleman was appointment to the Board effective January 15, 2025.

For personal use only

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 used to set 2025 compensation levels, and how Capstone compares in terms of assets, revenue and market capitalization relative to these peers.

Company Name	Total Assets[57] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[58] ($ millions)
South32 Limited	$18,722	$7,647	$14,566
Kinross Gold Corporation	$16,878	$8,886	$46,778
Equinox Gold Corp.	$14,343	$3,204	$15,114
Lundin Mining Corporation	$13,957	$4,474	$25,266
Pan American Silver Corp.	$12,728	$4,551	$30,033

57 Most recently reported annual assets.
58 Market capitalization as of December 31, 2025.

For personal use only

Company Name	Total Assets[57] ($ millions)	Trailing 12 Month's Revenue ($ millions)	Market Cap[58] ($ millions)
Eldorado Gold Corporation	$9,024	$2,349	$9,906
Alamos Gold Inc.	$8,325	$2,251	$22,294
Hudbay Minerals Inc.	$8,233	$2,834	$10,795
SSR Mining Inc.	$8,220	$2,000	$6,102
B2Gold Corp.	$7,920	$3,507	$8,220
IAMGOLD Corporation	$7,481	$3,146	$13,028
Coeur Mining Inc.	$6,278	$2,376	$15,696
First Majestic Silver Corp.	$5,893	$1,350	$11,221
Hecla Mining Company	$4,483	$1,712	$17,630
Centerra Gold Inc.	$3,743	$1,738	$3,984
Ero Copper Corp.	$2,611	$864	$4,030
Lundin Gold Inc.	$2,280	$2,233	$27,516
Capstone Copper Corp.	**$9,704**	**$2,967**	**$10,505**
Percentile Positioning	Between 50th and 75th percentile	Between 50th and 75th percentile	Between 25th and 50th 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 2025:

- prepared for the planned leadership succession changes that occurred in May 2025;
- updated the compensation peer group for 2026;
- 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; 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 2024 and 2025 are outlined in the following table.

	2024		2025	
Consultant	Executive Compensation Related Fees ($)	All Other Fees ($)	Executive Compensation Related Fees ($)	All Other Fees ($)
Meridian	158,718	-	166,335	-

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 and Inclusion Policy, to effectively carry out its duties and deliver on Capstone's strategy.

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

For personal use only

- the executive team's overall mix of capability, skills and experience;
- the alignment of their values with Capstone's;
- their character, integrity, judgment and background; and
- diversity.

As of December 31, 2025, 17% of executive direct reports to the CEO are female.

For personal use only

For personal use only

2025 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, communicate priorities, and measure and reward performance. The objectives are based on the annual business strategy, approved budgets and what Management can control. Targets are set for safety, environmental, ESG/sustainability, people, 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 good progress in delivering on many corporate priorities during 2025. Our Corporate Scorecard targets and performance results for 2025 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%.

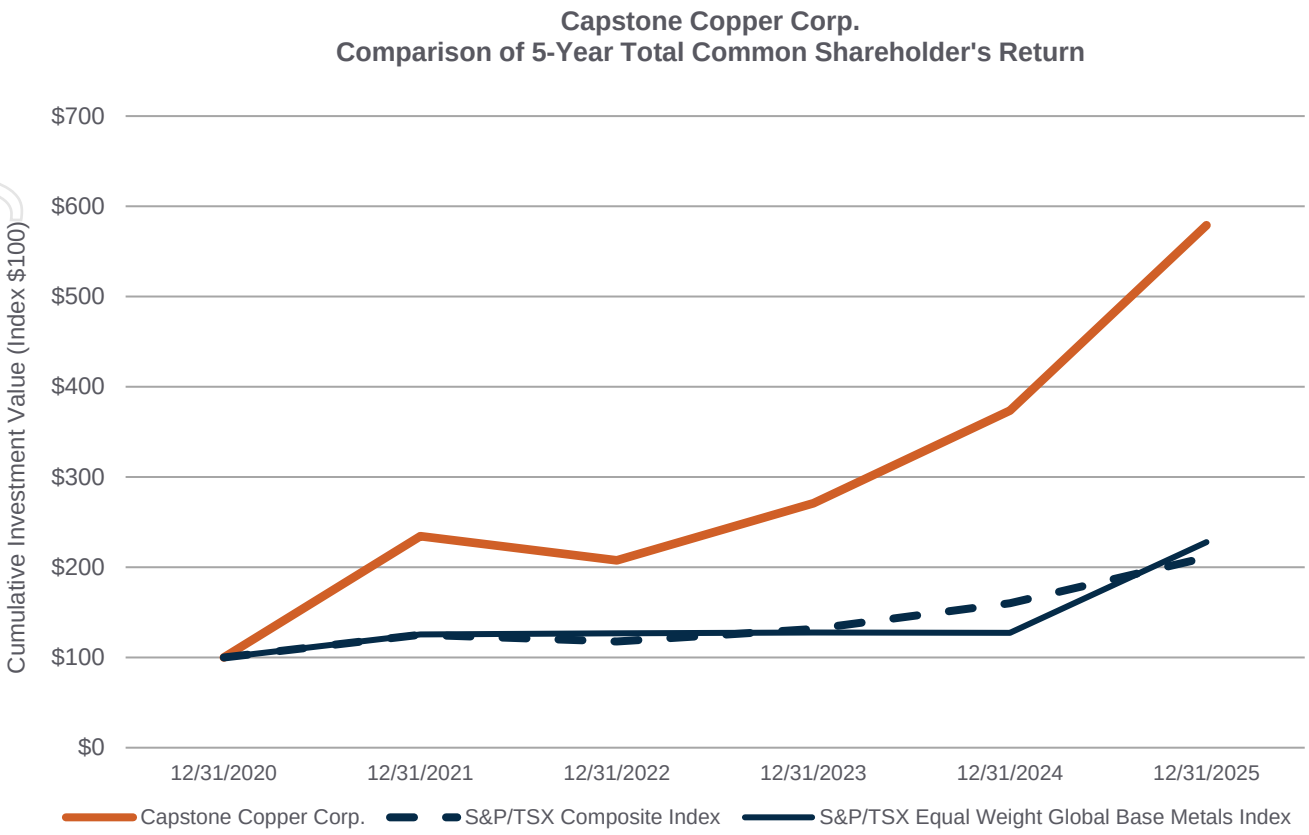
- **Safety (15%):** Performance targets are set for both leading indicators, such as compliance with site safety management plans, and lagging indicators, such as injury statistics. In 2025, our sites exceeded objectives on leading indicator performance and we saw a meaningful improvement in both the lost time injury frequency rate and the total reportable incident frequency rate. As a result, we achieved an above target score for safety.
- **Sustainability (15%):** The Sustainability category measures environmental incidents (such as spills) as well as ESG/sustainability and People specific targets. 2025 achievements included the release of new standards for biodiversity and social performance under our Sustainable Development Strategy, advances on climate-related risk mitigation and responsible sourcing. Pinto Valley was awarded The Copper Mark in August, and we saw a further increase in the representation of women across our sites. As a result, we achieved an above target score in the Sustainability category.
- **Operational Performance (40%):** Operational performance is measured against consolidated production targets (20%), operating costs (10%) and absolute property costs (10%). Capstone met its public guidance for production and costs in 2025, however, we fell short of our internal budgets 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 / capital markets objectives (10%), Operational Excellence & Asset Integrity objectives (10%), and growth objectives (10%). Milestones and achievements over the course of 2025 included the permitting of the Mantoverde-Optimized Project, the successful completion of the Santo Domingo partnership process, the repayment of the Mantoverde project finance debt, and further implementation of our Safety and Asset Management systems. We achieved an above target score in the Strategic section in 2025.

Overall, the Board approved a score of 125% on the Corporate Scorecard for 2025.

Summary of Market Performance

The copper market was very volatile in 2025, with London Metal Exchange copper prices peaking at $5.68/lb compared to a low of $3.87/lb, with an average of $4.52/lb, but overall prices rallied strongly and reached record levels. Copper prices experienced volatility during the first few months of the year driven by expectations of a US copper tariff announcement, but generally increased before peaking at the end of March. Copper prices sharply decreased to annual lows at the beginning of April following "Liberation Day", under the expectation that tariffs would impact global trade and the global economy. Copper prices recovered over May and June, then remained relatively steady throughout the summer before experiencing a significant increase over the final quarter and peaking at the end of December driven primarily by supply disruptions at major mines, strong industrial demand via electrification and new emerging demand through artificial intelligence and data centre infrastructure, as well as continued impacts from policy expectations, namely the potential for copper tariffs in the US.

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 55%, compared with the copper price, which was up 43% over the same time period. Copper prices have continued to increase since the end of 2025, however prices remain volatile due to ongoing geopolitical uncertainty. Over the longer-term, growing consensus of deficits, 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.



The above graph compares the cumulative TSR on $100 invested in Common Shares from January 1, 2021, through December 31, 2025 with the cumulative TSR for the same period of the Standard & Poor's ("**S&P**")/TSX Composite Index and S&P/TSX Equal Weight Global Base Metals Index.

For the five-year period ended December 31, 2025, Capstone Copper's share price increased by 479.0%, outperforming the S&P/TSX Composite Index, which was up 110.8% over the same period, and the S&P/TSX Equal Weight Global Base Metals Index, which was up 127.8% over the same period.

Over the same timeframe:

- **Short-Term Incentive:** The Corporate Scorecard is used to incent management to deliver on our annual safety, environmental, ESG/sustainability, people, operational, financial and strategic objectives. Targets set in the scorecard, and performance against these targets, should link to longer term share price performance for Capstone.
- **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 2021-2023, 175.6% of target for 2022-2024 and 88.3% of target for 2023-2025). 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.
- **Options:** 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, our Option grants over the last 5 years are in-the-money and align executive rewards with company performance.

For personal use only

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
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

For personal use only

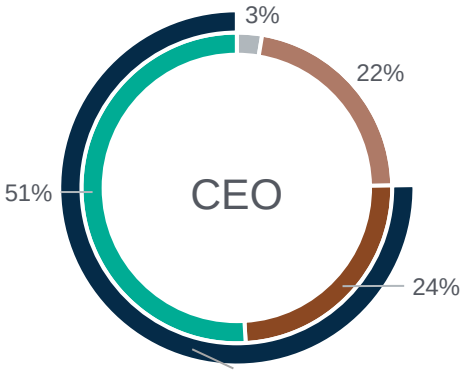
Compensation Elements	Key Features	Objectives
Restricted Share Units ("RSU")	• Time vesting: ⅓ on first anniversary, ⅓ on second anniversary and ⅓ on third anniversary of the grant • Vested awards are intended to be settled with Common Shares from treasury, however the Treasury Share Unit Plan allows 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

For personal use only

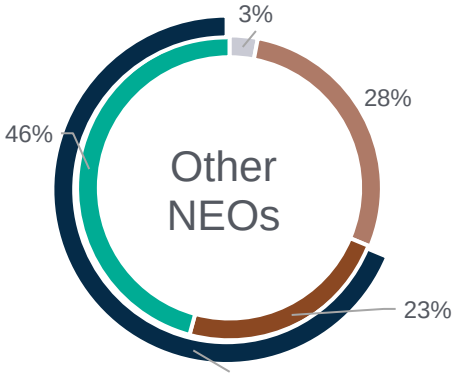
Compensation Mix

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 other NEO compensation mix for 2025.



75% At Risk Compensation



69% At Risk Compensation

Base Salary | Short-Term Incentive | Long-Term Incentive | Indirect Compensation

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 continuing NEOs[59].

Executive	2025 Annual Base Salary
Cashel Meagher President & CEO	$850,000
Raman Randhawa Senior Vice President & CFO	$600,000
James Whittaker Senior Vice President & COO	$686,205
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	$475,000
Chris Richter Senior Vice President, Corporate Development	$436,980

59 Compensation details for Mr. MacKenzie, including his partial-year base salary, can be found in the Summary Compensation Table.

For personal use only

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.

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.

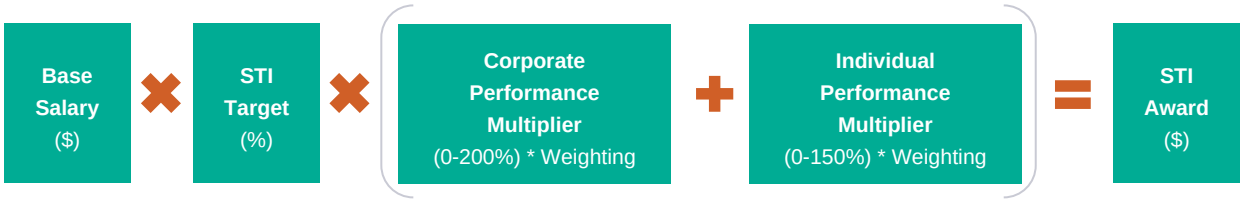
Short-Term Incentive Weightings

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

Executive	Corporate Scorecard Objectives	Individual Objectives
Cashel Meagher President & CEO	80%	20%
Raman Randhawa Senior Vice President & CFO	70%	30%
James Whittaker Senior Vice President & COO	70%	30%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	70%	30%
Chris Richter Senior Vice President, Corporate Development	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)
Cashel Meagher President & CEO	110%
Raman Randhawa Senior Vice President & CFO	80%
James Whittaker Senior Vice President & COO	90%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	75%
Chris Richter Senior Vice President, Corporate Development	75%

For personal use only

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 Options. The value of earned Share Units, as well as vested Options, fluctuate with the value of Capstone's Common Shares. PSUs vest only when performance-based criteria are achieved over a three-year period, while RSUs vest ⅓ on the first anniversary, ⅓ on the second anniversary and ⅓ on the third anniversary.

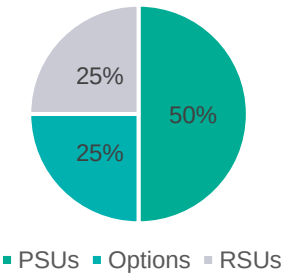
Our long-term incentive equity vehicles support Capstone's strategic business objectives in relation to performance, retention of critical talent, ability to manage costs as well as our ability to minimize the dilutive impact of Options while remaining competitive within the industry.

Long-Term Incentive Mix

Senior executives receive a combination of PSUs, RSUs and 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 Common Shares and reflect absolute and relative performance, and 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 continuing NEOs[60].

Executive	LTI Target (% of Base Salary)
Cashel Meagher President & CEO	230%
Raman Randhawa Senior Vice President & CFO	170%
Jim Whitaker Senior Vice President & COO	170%
Wendy King Senior Vice President, Risk, ESG, General Counsel & Corporate Secretary	150%
Chris Richter Senior Vice President, Corporate Development	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.

Security Based Compensation Plans

Capstone's Option Plan and Treasury Share Unit Plan (collectively the "**Security Based Compensation Plans**") provide for the issuance of Options or Share Units to a maximum aggregate of 10% of Capstone's Common Shares. 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.

Subject to the Plan Amendments, the aggregate maximum number of Common Shares available for issuance under the Security Based Compensation Plans will be decreased to an aggregate maximum of 5% of Capstone's Common Shares.

60 Details for Mr. MacKenzie's transition arrangements can be found on page 67.

For personal use only

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 Common 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.

Copies of the Security Compensation Plans can be found on under the Company's profile on SEDAR+ at www.sedarplus.ca.

The following table sets out information with respect to the Security Based Compensation Plans under which equity securities of Capstone are authorized for issuance as at December 31, 2025:

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	7,156,512 0.94%	7.02	69,209,158 9.06%
Equity Compensation Plans Not Approved by Security Holders	-	-	-
Total	7,156,512 0.94%	7.02	69,209,158 9.06%

(1) Reflects the number of Common Shares reserved for issuance under the Security Based Compensation Plans relative to the number of issued and outstanding Common Shares as of the date hereof.
(2) Reflects the number of Common Shares remaining available for future issuance granted under the Security Based Compensation Plans as of the date hereof, and is based on 10% of the number of Common Shares issued and outstanding as of the date hereof.

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:

	2023 Burn Rate	2024 Burn Rate	2025 Burn Rate
Option Plan	0.13%	0.13%	0.19%
Treasury Share Unit Plan[1]	0.12%	0.10%	0.11%

(1) The applicable grant agreements for Share Units issued under the Treasury Share Unit Plan may incorporate multipliers or adjustments based on the achievement of any performance criteria specified therein, and result in the percentage of vested PSUs in a grant exceeding 100% of the PSUs initially determined in respect of such grant.

For personal use only

Incentive Options & Bonus Shares

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;
- For the past 3 years, our CEO's 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 of 50% PSUs, 25% RSUs and 25% Options;
- Our Clawback Policy applies to equity awards;
- Capstone has not re-priced Options in the past 3 years;
- Bonus shares are used to attract and retain executives to give them an incentive to participate in the long-term development of Capstone and increase shareholder value; and
- 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 Options issuable to any one non-employee director in any one year period shall not exceed $100,000.

The material terms of the Option Plan can be summarized as follows:

- Options may be granted to Capstone's directors, officers, employees and consultants on terms and conditions acceptable to the regulatory authorities in Canada.
- A maximum of 10% of the Common Shares may be reserved for issuance under the Option Plan, representing approximately 76,365,670 Common Shares as at December 31, 2025. Subject to the Option Plan Amendments, the maximum Common Shares that may be reserved for issuance thereunder will be decreased to an aggregate maximum of 5% of the Common Shares, representing approximately 38,182,835 Common Shares as at December 31, 2025.
- Up to 500,000 bonus shares can be issued annually for bonus compensation in lieu of cash for annual or long-term bonus plans. Any bonus shares issued are subject to approval by the Board. In 2025, no bonus shares were issued as new hire incentives. No bonus shares were awarded to any named executive officer in 2023 and 2024.
- Options in favor of any one individual may not exceed 5% of the issued and outstanding Common Shares in any one year period.
- The maximum number of Options that any employee or non-employee director of the Company or its subsidiaries may hold is Options to acquire up to 5% of the outstanding number of issued Common Shares of the Company at the time of granting.
- 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.
- 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.
- No Option is transferable by the optionee other than by will or the laws of descent and distribution.
- No financial assistance is provided to participants for the purpose of exercising or settling Options.
- An Option is exercisable during the lifetime of the optionee only by such optionee.
- The maximum term of each Option is ten years, with the vesting period determined at the discretion of the Board.
- The minimum exercise price for an 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. In no event shall the exercise price be less than the market price of the Common Shares on the award date.
- Subject to the Board's discretion under the Option Plan, which is generally expressed via 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, Options that have not vested shall be forfeited immediately, otherwise, after 30 days from the date the termination notice is delivered.
- Subject to the Board's discretion under the Option Plan, which is generally expressed via the terms of an Option holder's written employment agreement, in the event an Option holder's employment is terminated due to death, Options that have not vested shall be forfeited on the one year anniversary of the option holder's death.
- If the Board makes the determination to grant an option during a black-out period, the award date of the Option is deemed to occur following the end of such black-out period as determined in accordance with Capstone's Insider Trading Policy.

For personal use only

- 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:
    - amendments of a "housekeeping" nature;
    - amendments necessary to comply with the provisions of applicable law;
    - amendments which increase the exercise price of an Option;
    - expansion of the scope of persons eligible to participate;
    - amendments respecting administration of the Option Plan;
    - amendments to the vesting provisions of the Option Plan or any Options;
    - amendments to the early termination provisions, provided such amendment does not entail an extension beyond the original expiry date of such Option;
    - to add or change provisions relating to any form of financial assistance provided by Capstone;
    - 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.
- The following amendments require shareholder approval:
    - increase in the maximum number of Common Shares issuable under the Option Plan;
    - amendments which reduce the exercise price of an option (except pursuant to customary permitted adjustments)(1);
    - amendments to the assignment or transferability provisions;
    - amendments extending the term of an option beyond its original expiry date, except in case of an extension due to a black-out period[61];
    - amendments to the amendment provisions;
    - any amendment to the number of Equity Awards (as defined in the Option Plan) which may be granted to non-employee directors; and
    - amendments required to be approved by shareholders under applicable law.
- Subject to the Option Plan Amendments, the matters requiring shareholder approval will expanded to include any amendment which involves the cancellation and reissuance of options or other entitlements under the Option Plan.
- 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 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 Option shall be extended to the date which is 10 business days after such date on which the Blackout Period ends.

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 PSUs or RSUs (collectively, "Share Units") 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. A PSU is a right to receive the value of a Common Share upon vesting based on the conditions set in the applicable grant agreement. Our standard practice is for PSUs to vest at the end of three years based on relative TSR performance. An RSU is a right to receive the value of a Common Share upon vesting based on the conditions set in the applicable grant agreement. Our standard practice is for RSUs to vest ⅓ after one year, ⅓ after two years and ⅓ after three years.

The material terms of the Treasury Share Unit Plan can be summarized as follows:

- Share Units may be granted to Capstone's directors also employed by it in other roles, officers, employees and consultants on terms and conditions acceptable to the regulatory authorities in Canada.

61 Such shareholder approval shall exclude interested shareholders.

For personal use only

For personal use only

- A maximum of 10% of the Common Shares may be reserved for issuance under the Treasury Share Unit Plan, together with all other Security Based Compensation Plans of the Company (representing approximately 7,156,512 Common Shares as at December 31, 2025), provided that, the maximum number of Common Shares that may be issued pursuant to 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 (representing approximately 3,681,601 Common Shares as at December 31, 2025). Subject to the Treasury Share Unit Plan Amendments, the aggregate maximum number of Common Shares available for issuance under the Security Based Compensation Plans will be decreased to an aggregate maximum of 5% of Capstone's Common Shares (representing approximately 38,182,835 Common Shares as at December 31, 2025), provided that, the maximum number of Common Shares that may be issued pursuant to the Treasury Share Unit Plan may not exceed 3% of the issued and outstanding Common Shares from time to time (representing approximately 22,909,701 Common Shares as at December 31, 2025).
- The maximum number of Common Shares issuable to Insiders pursuant to the Treasury Share Unit 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.
- The maximum number of Common Shares issued to Insiders pursuant to the Treasury Share Unit 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.
- The Treasury Share Unit Plan does not include a maximum number of Common Shares issuable to any one person at a given time.
- Except as otherwise provided in the applicable grant agreement, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to the Common 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 equal to the number of whole 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 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.
- No Share Unit is transferable by the holder other than by will or the laws of descent and distribution.
- No financial assistance is provided to participants for the purpose of exercising or settling Share Units.
- The price of a Share Unit is determined using the volume weighted average trading price per Share on the TSX during the immediately preceding five days on which the Common Shares were actually traded, or the value established by the HR&C Committee of the Board acting in good faith.
- Subject to the terms of a participant's written employment agreement, in the event a participant's employment is terminated with cause, Share Units that have not vested shall be forfeited immediately. In the event employment is terminated without cause or 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. Subject to the Treasury Share Unit Plan Amendments, any Share Units designated as subject to Standard Redemption (as defined in the Treasury Share Unit Plan) in the applicable grant agreement shall be settled within the applicable period described in Section 6.1.4 of the Treasury Share Unit Plan, with the date of termination or death or disability date treated as the vesting date.
- If the Board makes the determination to grant a Share Unit during a black-out period, the grant date of the Treasury Share Unit is deemed to be the date that is five business days following the end of such black-out period as determined in accordance with Capstone's Insider Trading Policy. If a settlement of Share Units falls during a black-out, such settlement shall be postponed until the earlier of the sixth trading day following such black-out period and the latest date for settlement of the participant's Share Units.
- 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. shareholder approval shall not be required for the following amendments, subject to TSX approval:
    - amendments of a "housekeeping" nature;
    - a change to the vesting provisions of any grants;
    - a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant; or
    - amendments to the provisions relating to a Change of Control (as defined in the Treasury Share Unit Plan).

- The following amendments require shareholder approval:
  - increase in the maximum number of Common Shares issuable;
  - increase or remove the Insider participation limits;
  - extend the maximum term of grant, except in case of an extension due to a black-out period;
  - amend the assignment provisions;
  - include other types of equity compensation involving the issuance of Common Shares;
  - amendments to the amendment provisions to grant additional powers to the Board to amend the Treasury Share Unit Plan without shareholder approval; or
  - amendments to the provisions relating to a Change of Control.
- Subject to the Treasury Share Unit Plan Amendments, the matters requiring shareholder approval will be expanded to include any amendment to the definition of "Eligible Persons" to include non-employee directors.
- Subject to the Treasury Share Unit Plan Amendments, the Board may permit a participant, pursuant to the terms of the applicable grant agreement, to elect the date upon which their Share Units shall be redeemed ("**Discretionary Redemption**"), provided that the expiry date of such Share Units shall be no later than ten years from the date of grant. If the Share Units are not subject to Discretionary Redemption, the term of the applicable Share Units shall be subject to the expiration date set out in the applicable grant agreement, provided that such date may not be later than the earlier of: (i) December 15 of the third year following the year in which the participant performed the services to which the grant relates and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including any exchange rules.

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, 2025, Capstone's TSR was 178.9% compared to the median total return of the peer group of 195.3%, which was at the 44.1st percentile in the peer group and resulted in a payout factor of 88.3% of target for the 2023 PSUs. The 2023 peer group comprised the following companies[62]:

- 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 Vesting Year	PSU Performance Payout
2021	2024	200%
2022	2025	175.6%
2023	2026	88.3%

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.

62 Copper Mountain Mining Corp. was removed due to acquisition.

For personal use only

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

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, 2025.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[63]	Value of Unexercised In-The-Money Options ($)[64]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[65]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Cashel Meagher	81,851	6.97	Mar 7, 2027	557,405	384,433	5,297,487	5,873,284
	89,246	6.00	Feb 22, 2028	694,334			
	82,147	7.25	Feb 28, 2029	536,420			
	129,127	8.40	Feb 26, 2030	694,703			
Raman Randhawa	55,755	6.97	Mar 7, 2027	379,692	255,321	3,518,323	4,696,817
	46,828	6.00	Feb 22, 2028	364,322			
	64,764	7.25	Feb 28, 2029	422,909			
	67,371	8.40	Feb 26, 2030	362,456			
James Whittaker	71,089	7.25	Feb 28, 2029	464,211	197,500	2,721,550	-
	77,050	8.40	Feb 26, 2030	414,529			
Wendy King	48,244	6.97	Mar 7, 2027	328,542	186,609	2,571,472	4,110,698
	52,603	6.00	Feb 22, 2028	409,251			
	48,419	7.25	Feb 28, 2029	316,176			
	47,061	8.40	Feb 26, 2030	253,188			
Chris Richter	37,702	6.00	Feb 22, 2028	293,322	170,352	2,347,451	-
	44,119	7.25	Feb 28, 2029	288,097			
	43,294	8.40	Feb 26, 2030	232,922			

63 All options vest one-third per year commencing on the first anniversary of the award.
64 Calculated based on the difference between the market price of our shares on the TSX on December 31, 2025, which was $13.78, and the exercise price of the option.
65 Market value based on the closing price of Capstone's shares on the TSX on December 31, 2025 ($13.78), PSU multiplier is 88.3% of target for 2025 and 1.0x target assumed for all other years.

For personal use only

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value Vested During the Year ($)[66]	Share-Based Awards - Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
Cashel Meagher	110,340	-	1,051,075
Raman Randhawa	84,195	-	604,320
James Whittaker	17,535	97,164	729,299
Wendy King	65,035	-	448,519
Chris Richter	68,932	871,119	412,618

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, where the prior completed Bonus Years relate to the employee's prior role as President and Chief Operating Officer, the amounts paid in respect of such Bonus Years shall be recalculated based on the employee's current salary and the target incentive payable as the CEO); 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.

66 Total value that would have been realized if the options had been exercised on the vesting date.

For personal use only

John MacKenzie's Employment Agreement

In conjunction with Mr. MacKenzie's transition from the position of CEO to the role of Non-Executive Board Chair, the Board agreed to amend the terms of the employment agreement with Mr. MacKenzie on December 21, 2024. Mr. MacKenzie's employment agreement was amended such that upon transitioning to the role of Non-Executive Board Chair:

- he and Capstone mutually agreed to terminate Mr. MacKenzie's employment agreement effective May 2, 2025.
- he received a pro-rated CEO short-term incentive plan bonus for 2025 in the amount of $352,000, based on 4 months worked in 2025 and target corporate and individual performance.
- he received a full, non-pro-rated CEO long-term incentive plan award in 2025 in the amount of $2,400,000 in Options.
- his existing Options, TRSUs and TPSUs shall remain in full force and effect in accordance with the original terms and continue to vest in accordance with the original vesting schedule.
- he received reimbursement for expenses related to relocation and tax support.

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, 2025 and remain effective, unamended:

Termination Type	Severance	Bonus	LTI[67]
Termination without Cause	Lump sum payment of 24 months' salary for the President & CEO, SVP & CFO, SVP & COO and SVP, Risk, ESG, General Counsel & Corporate Secretary. Lump sum payment of 12-18 months for SVP, Corporate Development[68].	• 2x average bonus paid in the last 3 years for the President & CEO, SVP & COO, SVP & CFO and SVP, Risk, ESG, General Counsel & Corporate Secretary and 1-1.5x average bonus paid in the last 3 years for the SVP, Corporate Development[69]; and • A prorated amount for the year in which the termination occurs for the President & CEO, SVP & COO, SVP & CFO, SVP, Risk, ESG, General Counsel & Corporate Secretary and SVP, Corporate Development	• PSUs are forfeited[70] • Pro-rated amount of RSUs vest based on service[69] • Vested Options must be exercised within 30 days or by the end of the original term (if sooner)[69] • Unvested Options are cancelled[69]

67 Equity plans allow for Board discretion.
68 In the event of a termination without cause, Mr. Richter shall receive a lump sum payment equal to 12 months' Salary plus 1 additional months' Salary for each completed year of service, up to a maximum of 18 months' Salary.
69 In the event of a termination without cause, Mr. Richter shall receive an amount equivalent to 1 times plus 1 additional month for each completed year of service, up to a maximum of 1.5 times, the Average Bonus Payment.
70 Mr. Meagher's Employment Agreement specifies that in the event of a termination without cause, all unvested options, RSUs and PSUs that would vest in the 24 month period following the Termination Date 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 other unvested options, RSUs and PSUs that would vest after the expiration of this 24 month period shall be forfeited immediately.

For personal use only

Termination Type	Severance	Bonus	LTI[67]
Change of Control (and NEO is terminated without cause or resigns their employment for Good Reason within 12 months)	Lump sum payment of 24 months' salary.	• 2x average bonus paid in the last 3 years; and • A prorated amount for the year in which the termination occurs.	• PSUs immediately vest upon a Change of Control • RSUs immediately vest upon a Change of Control • Vested Options remain exercisable until original expiration date upon a Change of Control and NEO is terminated without cause or resigns their employment for Good Reason within 12 months • Unvested Options vest immediately and remain exercisable until original expiration date upon a Change of Control and NEO is terminated without cause or resigns their employment for Good Reason within 12 months
Resignation or Retirement	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested Options must be exercised within 30 days or by the end of the original term (if sooner) • Unvested Options are cancelled
Termination for Cause	-	-	• Unvested PSUs are forfeited • Unvested RSUs are forfeited • Vested and unvested Options are cancelled

For personal use only

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, 2025 under various termination scenarios.

Name		Termination Without Cause ($)[71]	Change of Control ($)[72]	Resignation or Retirement ($)	Termination for Cause ($)
Cashel Meagher	Salary	1,700,000	1,700,000	-	-
	Bonus	2,921,075	2,921,075	-	-
	Equity	4,596,576	6,732,998	-	-
	Other	-	-	-	-
Raman Randhawa	Salary	1,200,000	1,200,000	-	-
	Bonus	1,306,868	1,306,868	-	-
	Equity	606,403	4,463,379[72]	-	-
	Other	-	5,098	-	-
James Whittaker	Salary	1,372,410	1,372,410	-	-
	Bonus	1,726,412	1,726,412	-	-
	Equity	493,999	3,445,555	-	-
	Other	-	4,489	-	-
Wendy King	Salary	950,000	950,000	-	-
	Bonus	1,035,406	1,035,406	-	-
	Equity	443,137	3,261,303[71]	-	-
	Other	-	5,168	-	-
Chris Richter	Salary	873,960	582,640	-	-
	Bonus	739,353	950,597	-	-
	Equity	404,622	2,977,299	-	-
	Other	-	4,954	-	-

71 Equity value is based on the termination and change of control benefits as outlined in the previous table.
72 The equity value for Mr. Randhawa and Ms. King based on a Change of Control as per their Employment Agreements.

For personal use only

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 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 2025 annual cash retainers.

Level	2025 ($)
Board Chair	200,000
Lead Director	140,000
Board Member	120,000

The following table summarizes the 2025 annual additional cash retainers for committee chairs.

Level	2025 ($)
Audit Committee Chair	30,000
HR&C Committee Chair	25,000
GNS Committee Chair	20,000
TOP Committee Chair	20,000

For personal use only

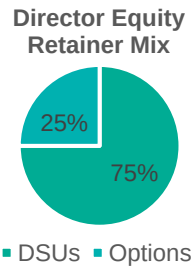
Directors' Compensation – Equity Retainer

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	2025 ($)
Board Chair	240,000
Lead Director	135,000
Board Member	135,000

Equity Retainer Mix

Capstone grants a combination of 75% Deferred Share Units ("**DSUs**") and 25% 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, compensation best practices, shareholder interests, peer benchmarking and supports retention.



2025 Director Compensation Table

The following table sets out all amounts of compensation provided to our non-executive directors for the year ended December 31, 2025.

Name of Director	Fees Earned ($)	Share-Based Awards ($)[73]	Option-Based Awards ($)[74]	Non-Equity Incentive Plan Awards ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
John MacKenzie[75]	-	-	-	-	-	-	-
Peter Meredith	165,000	101,250	33,750	-	-	-	300,000
Alison Baker	150,000	101,250	33,750	-	-	-	285,000
Anne Giardini	140,000	101,250	33,750	-	-	-	275,000
Gordon Bell	140,000	101,250	33,750	-	-	-	275,000
Richard Coleman[76]	120,000	101,250	33,750	-	-	-	255,000
Patricia Palacios	120,000	101,250	33,750	-	-	-	255,000

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.

73 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.
74 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.
75 The relevant disclosure for Mr. MacKenzie's Director compensation has been included in the Summary Compensation Table on page 44.
76 Mr. Coleman was appointment to the Board effective January 15, 2025.

For personal use only

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 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.

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, 2025.

	Option-Based Awards				Share-Based Awards		
Name of Director	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date[77]	Value of Unexercised In-The-Money Options ($)[78]	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[79]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
John MacKenzie	168,517	5.08	Jun 8, 2027	1,466,098	428,761	5,908,327	6,156,642
	183,741	6.00	Feb 22, 2028	1,429,505			
	171,557	7.25	Feb 28, 2029	1,120,267			
	634,076	8.40	Feb 26, 2030	3,411,239			
Peter Meredith	10,400	6.97	Mar 7, 2027	70,824	-	-	4,684,759
	10,904	6.00	Feb 22, 2028	84,833			
	9,651	7.25	Feb 28, 2029	63,021			
	8,917	8.40	Feb 26, 2030	47,973			
Alison Baker	5,416	3.47	Nov 7, 2027	55,839	-	-	918,947
	10,904	6.00	Feb 22, 2028	84,833			
	9,651	7.25	Feb 28, 2029	63,021			
	8,917	8.40	Feb 26, 2030	47,973			
Anne Giardini	9,564	5.79	Mar 2, 2026	76,416	-	-	969,781
	10,400	6.97	Mar 7, 2027	70,824			
	10,904	6.00	Feb 22, 2028	84,833			
	9,651	7.25	Feb 28, 2029	63,021			
	8,917	8.40	Feb 26, 2030	47,973			
Gordon Bell	9,651	7.25	Feb 28, 2029	63,021	-	-	358,556
	8,917	8.40	Feb 26, 2030	47,973			
Patricia Palacios	7,656	6.33	May 9, 2028	57,037	-	-	522,097
	9,651	7.25	Feb 28, 2029	63,021			
	8,917	8.40	Feb 26, 2030	47,973			
Richard Coleman[80]	8,917	8.40	Feb 26, 2030	47,973	-	-	166,104

77 All options (except otherwise noted) granted vest one-third per year commencing on the first anniversary of the award.
78 Calculated based on the difference between the market price of our shares on the TSX on December 31, 2025, which was $13.78, and the exercise price of the options.
79 Market value based on the closing price of Capstone's shares on the TSX on December 31, 2025 ($13.78).
80 Mr. Coleman was appointed to the Board effective January 15, 2025.

For personal use only

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, 2025.

Name of Director	Option-Based Awards - Value Vested During the Year ($)[81]	Share-Based Awards - Value Vested During the Year ($)[82,83]	Non-Equity Incentive Plan Compensation - Value Earned During the Year ($)
John MacKenzie	333,932	-	1,453,621
Peter Meredith	13,503	101,250	-
Alison Baker	34,155	101,250	-
Anne Giardini	13,503	101,250	-
Gordon Bell	2,381	101,250	-
Patricia Palacios	7,229	101,250	-
Richard Coleman[79]	-	101,250	-

81 Total value that would have been realized if the Options had been exercised on the vesting date.
82 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.
83 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.

For personal use only

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.

Board of Directors Approval

The contents and sending of this Management Information Circular have been approved by the Directors of Capstone.

"John MacKenzie"

John MacKenzie
Board Chair
Vancouver, British Columbia
March 10, 2026

For personal use only

SCHEDULE "A"
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 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.

For personal use only

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.

For personal use only

SCHEDULE "B"
AMENDED INCENTIVE SHARE OPTION AND BONUS PLAN

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set out below:

(a) "Administrator" means the Corporate Secretary of the Company or such other director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

(b) "Award Date" means the date on which the Board awards a particular Option;

(c) "Blackout Period" means, in respect of an Option Holder, a period during which such Option Holder is prohibited from trading in securities of the Company pursuant to

(i) any existing policy of the Company; or

(ii) at the direction of Senior Management of the Company or the Board.

(d) "Board" means the board of directors of the Company or any committee thereof to which the board of directors of the Company has delegated the power to administer and grant options under the Plan;

(e) "Bonus Shares" means Shares issued to Directors and Employees pursuant to the terms of this Plan (and, for greater certainty and where the context so requires, includes Shares of the Company that were exchanged for common shares in the capital of Capstone Mining Corp. pursuant to the Arrangement Agreement dated November 30, 2021 between Capstone Mining Corp. and Mantos Copper (Bermuda) Limited).

(f) "Cause" means:

(i) "Cause" as such term is defined in the written employment agreement, if any, between the Company and the Employee; or

(ii) in the event there is no written employment agreement between the Company and the Employee or "Cause" is not defined in the written employment agreement between the Company and the Employee, the usual meaning of just cause under the common law or the laws of British Columbia;

(g) "Change of Control" means the occurrence of any one or more of the following events:

(i) 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;

(ii) 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;

(iii) 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;

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

(v) 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

For personal use only

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

(h) "Company" means Capstone Copper Corp.;

(i) "Director" means any individual holding the office of director or senior officer of the Company or any of its Subsidiaries to whom share options can be granted in reliance on a prospectus exemption under applicable Securities Laws;

(j) "Eligible Person" means any natural person providing continuous services to the Company or any of its subsidiaries and who is:

(i) an Employee; or

(ii) a non-Employee Director;

(k) "Employee" means an individual who:

(i) is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

(l) "Equity Awards" means Options and Bonus Shares;

(m) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, as it may be amended from time to time, duly executed by the Option Holder;

(n) "Exercise Period" means the period during which a particular Option may be exercised and, subject to the provisions of the Plan, is the period from and including the Award Date through to and including the Expiry Date;

(o) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with paragraph 3.8;

(p) "Expiry Date" means the date determined in accordance with paragraphs 3.6 and 3.7 and after which a particular Option cannot be exercised;

(q) "Insider" has the meaning given to it in the Securities Act (British Columbia);

(r) "Market Price" means, as of any date, the volume weighted average trading price of the Shares on the TSX or on another stock exchange on which the majority of the trading volume of the Shares occurs, calculated by dividing the total value by the total volume of Shares traded, for the five trading days immediately preceding such date, subject to any conditions or restrictions imposed by the TSX;

(s) "Option" means an option to acquire Shares (and, for greater certainty and where the context so requires, includes the Options of the Company that ceased to represent an option to purchase common shares of Capstone Mining Corp. and were exchanged for Options to purchase Company Shares, on the same terms and conditions, pursuant to the Arrangement Agreement dated November 30, 2021 between Capstone Mining Corp. and Mantos Copper (Bermuda) Limited).

(t) "Option Certificate" means the certificate, in the form set out as Schedule "A" hereto, as it may be amended from time to time, evidencing an Option;

(u) "Option Holder" means a Director or Employee or former Director or Employee, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

(v) "Participant" means every Eligible Person who is approved for participation in the Plan by the Board;

(w) "Personal Representative" means:

For personal use only

(i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

(ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

(x) "Plan" means this Incentive Share Option and Bonus Share Plan;

(y) "Prior Plan" means Capstone Mining Corp.'s Incentive Share Option and Bonus Share Plan dated May 17, 2010 and approved by the Company's shareholders on May 17, 2010;

(z) "Regulatory Authorities" means all stock exchanges and other organized trading facilities on which the Company's Shares are listed and all securities commissions or similar securities regulatory authorities having jurisdiction over the Company;

(aa) "Securities Laws" means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in relation thereto in force from time to time that are applicable to the Company;

(bb) "Security Based Compensation Arrangements" has the meaning ascribed to it by the TSX Company Manual;

(cc) "Shares" means the common shares without par value of the Company;

(dd) "Subsidiary" means any corporation which is a subsidiary of the Company for the purposes of the Business Corporations Act (British Columbia);

(ee) "Termination Date" means:

(i) in the case of the resignation of the Option Holder as an Employee or Director of the Company, the date set out in the resignation notice delivered by the Employee or Director, as applicable, to the Company as the last day the Employee or Director will be an Employee or Director, as applicable, of the Company; or

(ii) in the case of any other termination of the Option Holder's employment or directorship with the Company by the Company for any reason other than death, the date that the Company provides notice of termination of the Option Holder's employment or directorship, as applicable, to the Option Holder; or

(iii) in the case of the termination of the written contract of the Option Holder to provide services to the Company, the date that one of the parties to the written contract provides notice of termination of the written contract to the other party; and

(ff) "TSX" means the Toronto Stock Exchange.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 Headings and References

The headings used herein are for convenience only and are not to affect the interpretation of the Plan. References to numbered paragraphs are to such numbered paragraphs of the Plan. References to "herein", "hereunder" and "hereof" and similar terms are references to the Plan as a whole.

1.4 Singular and Plural

Unless the context requires otherwise, words in the singular include the plural and words in the plural include the singular.

ARTICLE 2

PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors and Employees, to reward such of those Directors and Employees as may be awarded Options or Bonus Shares under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors and Employees to acquire Shares as long term investments.

For personal use only

2.2 Participation

The Board shall, from time to time and in its sole discretion, determine those Directors and Employees, if any, to whom Options or Bonus Shares are to be awarded. The Board may only grant Options to an Employee or Director if such Employee or Director is a bona fide Employee or Director, as applicable, of the Company or any of its Subsidiaries. The Board may, in its sole discretion, grant the majority of the Options granted on any particular occasion to Insiders. However, in no case will:

(a) Options to acquire more than 5% of the issued and outstanding Shares be granted to any one individual in any one year period;

(b) the maximum number of Shares issuable to Insiders pursuant to the Plan, together with the maximum number of Shares issuable to Insiders pursuant to all other Security Based Compensation Arrangements, at any time exceed 10% of issued and outstanding Shares; or

(c) the maximum number of Shares issued to Insiders pursuant to the Plan, together with the maximum number of Shares issued to Insiders pursuant to all other Security Based Compensation Arrangements, within a one year period, exceed 10% of the issued and outstanding Shares.

2.3 Non-Employee Director Participation

At any given time, the number of Equity Awards granted to non-Employee Directors under the Plan, in combination with all other equity awards granted to non-Employee Directors under any other Security Based Compensation Arrangements, shall be limited to the lesser of (i) a reserve, as a group, of equity awards entitling them to acquire up to 1% of the issued and outstanding Shares and (ii) an annual equity award value of $150,000 per non-Employee Director, provided that the total value of Options issuable to any one non-Employee Director in any one year period shall not exceed $100,000.

2.4 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.5 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.6 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company and does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Company. An Option Holder shall not have any rights as a shareholder of the Company with respect to any Shares issuable upon the exercise of any Option until such Option has been duly exercised in accordance with the terms and conditions of the Plan and such Shares have been issued to such Option Holder.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS AND BONUS SHARES

3.1 Issuance of Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Shares, the issuance of which shall have been authorized by the Board.

3.2 Option Grants

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.9 hereof, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the exercise of the Options or the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited, with the discretion of the Board to modify or rescind such restrictions in the event of certain corporate developments such as a take-over bid, reorganization, merger, change in capital or amalgamation. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion; however, the maximum number of options that any Eligible Person may hold is Options to acquire up to 5% of the outstanding number of issued shares of the Company at the time of granting.

For personal use only

3.3 Bonus Shares

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, applicable to the reservation and grant of Bonus Shares, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of the Bonus Shares, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Bonus Shares may be forfeited, with the discretion of the Board to modify or rescind such restrictions in the event of certain corporate developments such as a take-over bid, reorganization, merger, change in capital or amalgamation. An Employee or Director may receive Bonus Shares on more than one occasion under the Plan and may receive separate Bonus Shares on any one occasion; however, no more than 500,000 of the issued Shares of the Company may be issued as Bonus Shares in any fiscal year.

3.4 Number of Shares

Subject to adjustment as provided for in paragraph 3.11, the number of Shares which will be available for issuance pursuant to Options granted under the Plan, and under the Prior Plan, or as Bonus Shares at any time will not exceed 5% of the issued and outstanding Shares at such time. Any issuance of Shares by the Company, including issuances pursuant to the exercise of Options or pursuant to the issuance of Bonus Shares, shall automatically replenish the number of Shares issuable under the Plan. Provided that the maximum number of Shares is not exceeded, following the expiration, cancellation or other termination of any Options under the Plan, a number of Shares equal to the number of Options so expired, cancelled or terminated shall automatically become available for issuance in respect of Options that may subsequently be granted under the Plan.

3.5 Award Date

The Award Date of an Option will be the date on which the Board makes the determination to grant such Option; provided, however, that if the Board makes the determination to grant an Option during a Blackout Period, the Award Date of such Option shall be deemed to be the date two business days following the end of such Blackout Period and the end of such Blackout Period shall be determined in accordance with the Insider Trading Policy of the Company dated March 23, 2022, as it is amended or replaced from time-to-time.

3.6 Term of Option

Subject to paragraph 3.7, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the tenth anniversary of the Award Date of such Option.

3.7 Termination of Option

Subject to such other terms or conditions as may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded (or amended) and the date established, if applicable, in subparagraphs (a) to (c) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as a Director), or an Employee (if he or she holds his or her Option as an Employee), the Expiry Date shall be the first anniversary of the Option Holder's date of death.

(b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as a Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be, unless otherwise provided in the Option Certificate or otherwise determined by the Board, 30 days from the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee

In the event that the Option Holder holds his or her Option as an Employee of the Company and such Option Holder ceases to be an Employee of the Company other than by reason of death, unless otherwise provided in the Option Certificate or otherwise determined by the Board, the Expiry Date of the Option shall be:

(i) the Termination Date, if the Option Holder ceases to be an Employee of the Company as a result of termination for Cause or as a result of an order made by any Regulatory Authority having jurisdiction to so order; or

For personal use only

(ii) on the resignation of an Employee or on termination other than for Cause, 30 days after the date set out in the termination notice delivered by the Company to the Employee or the resignation notice delivered by the Employee to the Company, as the case may be, as the last day the Employee will be an Employee of the Company.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder; provided, however, that to the extent 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 or within 10 business days after the date on which the Blackout Period ends, then the term of such Option shall be extended to the date which is 10 business days after such date on which the Blackout Period ends.

3.8 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set out in the Option Certificate issued in respect of such Option and in any event shall not be less than the Market Price of the Shares as of the Award Date.

Notwithstanding anything else contained herein, in no case will the Exercise Price be less than the minimum prescribed by the TSX or any other securities exchange upon which the Company has listed or posted its securities for trading as of the relevant Award Date.

3.9 Additional Terms

Subject to all applicable Securities Laws, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

(a) providing that an Option expires on a date other than as provided for herein;

(b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events; and

(c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events.

3.10 Assignment of Options

Options may not be assigned or transferred; provided, however, that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.11 Adjustments

In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

(a) the number of Shares reserved for issuance under the Plan;

(b) the number of Shares subject to outstanding Options; and

(c) the Exercise Prices of outstanding Options,

will be proportionally adjusted by the Board in compliance with applicable securities laws and the rules of any securities exchange upon which the Company has listed or posted its securities for trading; provided, however, that no fractional shares shall be issued upon the exercise of an Option and, accordingly, if as a result of a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.12 Vesting

Options granted to Directors and Employees will vest as and when determined by the Board as evidenced by a schedule to the relevant Option Certificate; provided, however, that if no such determination has been made in respect of an Option as evidenced by such a schedule, such Option will vest fully at the time it is granted.

For personal use only

In respect of an Option granted to an Employee of the Company, upon such Employee ceasing to be an Employee of the Company, any Option granted to such Employee shall cease to vest on the Termination Date.

3.13 Change of Control

In the event that a Participant's employment is terminated without cause by the Company or a Subsidiary within 12 months of a Change of Control, all unvested Options shall vest immediately and become exercisable, notwithstanding any determination of the Board pursuant to paragraph 3.12, if applicable.

ARTICLE 4

EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a cheque, or at the Company's option, a certified cheque or bank draft, payable to "Capstone Copper Corp." in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option, and if applicable, any withholding taxes in respect of which the Option is being exercised.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice and the other documents contemplated by paragraph 4.1, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased.

4.3 Conditions of Issue

The Options and the issue of Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities relating to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all Securities Laws and to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with the Company in complying with, such Securities Laws.

4.4 Fully Paid and Financial Assistance

The Company will not issue any Shares pursuant to the exercise of Options until it has received the Exercise Price plus any required payment for withholding taxes for the issuance of such Shares. The Company will not provide financial assistance to an Option Holder to assist him or her in exercising his or her Option.

ARTICLE 5

ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Company such administrative duties and powers as it may see fit in connection with the Plan.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant hereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

For personal use only

ARTICLE 6

AMENDMENT AND TERMINATION

6.1 Amendment, Modification or Termination of the Plan

The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, and without shareholder approval, amend, suspend or terminate the Plan or any Option granted under the Plan, including, without limiting the generality of the foregoing:

(a) amendments of a "housekeeping" or ministerial nature, including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;

(b) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules of the TSX or any other applicable stock exchange);

(c) any amendment which increases the Exercise Price of an Option;

(d) any expansion of the scope of persons eligible to participate in the Plan;

(e) amendments respecting administration of the Plan;

(f) any amendment to the vesting provisions of the Plan or any Option;

(g) any amendment to the early termination provisions of the Plan or any Option, whether or not such Option is held by an Insider, provided such amendment does not entail an extension beyond the original Expiry Date of such Option;

(h) to add or change provisions relating to any form of financial assistance provided by the Company to Eligible Persons that would facilitate the purchase of securities under the Plan; and

(i) to add a cashless exercise feature to any Option or to the Plan, including providing for the payment in cash or securities upon the exercise of Options;

provided however that:

(j) such amendment, suspension or termination is in accordance with applicable laws and the rules of any securities exchange on which the Company has listed or posted its securities for trading;

(k) the Board shall obtain shareholder approval in respect of the following:

(i) any amendment to the number of Shares (or other securities) issuable under Sections 2.2, 3.2, 3.3 and 3.4 of the Plan;

(ii) any amendment which reduces the Exercise Price of an Option (other than pursuant to Section 3.11);

(iii) any amendment which involves the cancellation and reissuance of Options or other entitlements;

(iv) any amendment to the transferability or assignability of an Option (other than for normal estate settlement purposes);

(v) any amendment extending the term of an Option beyond its original Expiry Date (other than an extension as a result of a Blackout Period pursuant to Section 3.7);

(vi) any amendment to the amendment provisions of the Plan contained in this Article ARTICLE 6;

(vii) any amendment to the number of Equity Awards which may be granted to non-Employee Directors as set out in Section 2.3 of this Plan; and

(viii) amendments required to be approved by shareholders under applicable law.

Where shareholder approval is sought for amendments under clauses (k)(ii) and (v) above, the votes attached to Shares held directly or indirectly by Insiders who would benefit from the amendment will be excluded.

6.2 Termination

For personal use only

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

For personal use only

ARTICLE 7

GENERAL

7.1 Withholding Taxes

The Company may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("Withholding Obligations"). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by (a) requiring a Participant, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Participant to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations or (b) selling on the Participant's behalf, or requiring the Participant to sell, any Shares acquired by the Participant under the Plan, or retaining any amount which would otherwise be payable to the Participant in connection with any such sale.

7.2 Agreement

The Company and every Option awarded hereunder shall be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder expressly agrees with the Company to be bound by the terms and conditions of the Plan.

7.3 Prior Plan

The Plan supersedes and replaces the Prior Plan. All options previously granted by the Company that are outstanding as at the date of the adoption of the Plan by the Board shall be deemed to be granted under the Plan and to be Options which are subject to the terms and conditions hereof.

For personal use only

SCHEDULE “A”

CAPSTONE COPPER CORP.

INCENTIVE SHARE OPTION AND BONUS SHARE PLAN

OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Capstone Copper Corp. (the “Company”) Incentive Share Option and Bonus Share Plan (the “Plan”) and evidences that _____ is the holder (the “Option Holder”) of an option (the “Option”) to purchase up to _____ common shares (the “Shares”) of the Company at a purchase price of $_____ per Share. Subject to the provisions of the Plan:

(a) the Award Date of the Option is _____; and

(b) the Expiry Date of the Option is _____.

Subject to the provisions of the Plan, the Option may be exercised at any time and from time to time from and including the Award Date through to and including up to 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivery to the Administrator of the Plan of an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to “Capstone Copper Corp.” in an amount equal to the aggregate Exercise Price of the Shares, and if applicable, any withholding taxes in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder, by accepting such Option, hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter relating to the Option, the provisions of the Plan and the records of the Company shall prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

The Option has been awarded this _____ day of _____, 20___.

CAPSTONE COPPER CORP.

Per:

Administrator

Capstone Copper Corp.

Incentive Share Option and Bonus Share Plan

For personal use only

OPTION CERTIFICATE – SCHEDULE

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

1. _____ of the Options granted under the Plan will vest on _____;

2. _____ of the Options granted under the Plan will vest on _____; and

3. _____ of the Options granted under the Plan will vest on _____;

or such other vesting schedule as may be agreed upon by the Board of Directors.

CAPSTONE COPPER CORP.

Per:

Administrator

Capstone Copper Corp.

Incentive Share Option and Bonus Share Plan

For personal use only

SCHEDULE “B”

EXERCISE NOTICE

To: Administrator, Incentive Share Option and Bonus Share Plan (the “Plan”)

Capstone Copper Corp. (the “Company”)

I, _____, hereby give notice, pursuant to the Company’s Plan, of the exercise of the Option to acquire and subscribe for _____ Shares.

Calculation of total Exercise Price:

(a) number of Shares to be acquired on exercise: _____ Shares

(b) multiplied by the Exercise Price per Share: $_____

TOTAL EXERCISE PRICE [(a) x (b)]: $_____

If applicable, calculation of tax remittance:

(c) sale price/market price on exercise: $_____

(d) share option benefit [((c) - (b)) x (a)]: $_____

(e) tax remittance: $_____

(f) deduction (i.e. CPP): $_____

TOTAL TAX REMITTANCE: $_____*

*Calculation acknowledged by the Option Holder

TOTAL PAYABLE TO THE COMPANY

BY THE OPTION HOLDER: $_____

The undersigned tenders herewith a cheque or bank draft in an amount equal to the total Exercise Price, and if applicable, the Tax Remittance of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

_____

_____

_____

_____

DATED the _____ day of _____, 20___.

_____

Signature of Option Holder

_____

Name of Option Holder (please print)

For personal use only

SCHEDULE "C"
AMENDED TREASURY SHARE UNIT PLAN

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, or where Applicable Law does not define such terms, the defined term contained in the Grant Agreement.

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;

For personal use only

(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 "Discretionary Redemption" has the meaning set forth in Section 6.2.1.

1.3.16 "Elected Redemption Date" means the date elected by a Participant, who is not a US Taxpayer, and who has been granted Share Units subject to Discretionary Redemption, pursuant to Section 6.2.3(a).

1.3.17 "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.

1.3.18 "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, employee 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), 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 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.

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

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

1.3.21 "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.

1.3.22 "Grant Date" means the effective date of a Grant.

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

1.3.24 "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.

For personal use only

1.3.25 “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 1.3.25 does not apply, the value established by the Committee acting in good faith.

1.3.26 “Participant” has the meaning set forth in Section 3.2.1.

1.3.27 “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.

1.3.28 “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.

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

1.3.30 “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.

1.3.31 “Redemption Notice” means a notice, submitted to the Company pursuant to which the Participant who is not a US Taxpayer may elect to redeem Vested Share Units that are subject to Discretionary Redemption in accordance with Section 6.2.

1.3.32 “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.

1.3.33 “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.

1.3.34 “Separation from Service” has the meaning as defined in Exhibit A hereto.

1.3.35 “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

For personal use only

(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.

1.3.36 "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.

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

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

1.3.39 "Standard Redemption" has the meaning ascribed to it in Section 6.1.1.

1.3.40 "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.

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

1.3.42 "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), and "Terminated" and "Terminates" shall be construed accordingly.

1.3.43 "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.

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

1.3.45 "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.

1.3.46 "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.

1.3.47 "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 6.7 or Section 6.8; (iii) or are otherwise waived pursuant to Section 3.3, and "Vesting" and "Vest" shall be construed accordingly.

1.3.48 "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".

1.3.49 "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.

1.3.50 "Vested Share Units" means Share Units that have vested.

2. CONSTRUCTION AND INTERPRETATION

2.1 Gender, Singular, Plural

For personal use only

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.

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;

(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;

For personal use only

(j) to interpret the Plan and Grant Agreements;

(k) to prescribe, amend and rescind such rules and regulations, including rules and regulations applicable only to select categories of Participants (e.g., US Taxpayers) or to address the laws and regulations of select jurisdictions, 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, including whether Standard Redemption or Discretionary Redemption applies, 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 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.

For personal use only

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 5% 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% 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 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 Standard Redemption

6.1.1 Application. The provisions of this Section 6.1 apply to Share Units designated as subject to Standard Redemption in the applicable Grant Agreement. For the purposes hereof, "Standard Redemption" shall mean the terms and conditions of this Section 6.1. All Share Units issued to US Taxpayers shall be subject to Standard Redemption.

For personal use only

6.1.2 Term of Share Units. Subject to Sections 6.3, 6.5, 6.6 and 6.7, the Expiry Date for each Share Unit will be the date determined by the Committee and specified in the Grant Agreement pursuant to which such Share Unit is granted, provided that such date may not be later than the earlier of: (i) December 15 of the third year following the year in which the Participant performed the services to which the Grant relates 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.

6.1.3 Redemption Date. Share Units subject to Standard Redemption shall be redeemed in accordance with below Section 6.1.4.

6.1.4 Redemption of Share Units – Standard. Subject to Sections 6.3, 6.4, 6.5, 6.6 and 6.7, 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:

(a) redeem the Vested Share Units of the Participant subject to Standard Redemption on or before the earlier of (i) the ninetieth (90th) day following the Vesting Date, (ii) the date that is two and one half (2½) months after the end of the year in which Vesting occurred, or if Vesting occurs within the ninety (90) days prior to December 31 of the third year following the year in which the Participant performed the services to which the Grant of such Share Units relates such Share Units shall be settled on or before such date and (iii) the date set out in Sections 6.3, 6.6 and 6.7, by issuing to the Participant the number of Shares equal to the number of Vested Share Units to be redeemed, or, if the Committee determines at the Committee's sole discretion, to have the Vested Share Units redeemed by the payment of cash, and such cash payment shall be equal to the Market Value of such Vested Share Units redeemed as of the applicable redemption date specified by this Section 6.1.4.

(b) redeem the Vested Share Units of the Participant who is a US Taxpayer on or as soon as practicable following the Vesting Date, provided that such redemption shall in all cases occur prior to the date that is two and one half (2½) months after the end of the year in which Vesting occurred. The Company shall redeem the Vested Share Units by issuing to the Participant the number of Shares equal to the number of Vested Share Units to be redeemed, or, if the Committee determines at the Committee's sole discretion, to have the Vested Share Units redeemed by the payment of cash, and such cash payment shall be equal to the Market Value of such Vested Share Units redeemed as of the applicable redemption date specified by this Section 6.1.4.

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.

6.2 Discretionary Redemption

6.2.1 Application. The provisions of this Section 6.2 apply to Share Units designated as subject to Discretionary Redemption in the applicable Grant Agreement. For the purposes hereof, "Discretionary Redemption" shall mean the terms and conditions of this Section 6.2. Share Units issued to US Taxpayers shall not be subject to Discretionary Redemption.

6.2.2 Term of Share Units. Subject to Sections 6.3, 6.6, 6.5 and 6.7, 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.

6.2.3 Elected Redemption Date Notice. Except to the extent a Grant Agreement specifies that redemption will automatically occur on a date prior to the Expiry Date, Participants with Discretionary Redemption Share Units shall elect, by submitting a Redemption Notice, an Elected Redemption Date for the Share Units as follows:

(a) Participants may elect at any time to redeem Vested Share Units subject to Discretionary Redemption on any date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date; and

If a Participant does not elect an Elected Redemption Date in respect of an award of Share Units in accordance with Section 6.2.3(a), the Share Units subject to Discretionary Redemption shall be redeemed on the Expiry Date in accordance with Section 6.2.4.

6.2.4 Redemption of Share Units - Discretionary. 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 subject to Discretionary Redemption on the earlier of (i) within fifteen Business Days of the Elected Redemption Date and (ii) the date set out in Sections 6.3, 6.6 and 6.7, 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 6.3, 6.6 or 6.7, and such cash payment shall be equal to the Market Value of such Vested Share Units redeemed as of the Elected Redemption Date or the date specified in Sections 6.3, 6.6 or 6.7, if applicable.

For personal use only

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.

6.3 Postponed Settlement

Notwithstanding any other section of the Plan, if a Participant's Share Units would, in the absence of this Section 6.3 be settled within a Black-Out Period applicable to such Participant, such settlement shall be postponed until the earlier of the 6th Trading Day following the end of such Black-Out Period and the latest date for settlement of the Participant's Share Units as determined in accordance with Section 6, 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. For the avoidance of doubt, with respect to any Share Units designated as subject to Standard Redemption in the applicable Grant Agreement, settlement shall in all cases be made within the applicable period described in Section 6.1.4.

6.4 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.

6.5 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.

6.6 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.

6.7 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

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; and

(c) with respect to any Share Units designated as subject to Standard Redemption in the applicable Grant Agreement, such Share Units shall be settled within the applicable period described in Section 6.1.4, with the date of Termination or death or Disability Date treated as the Vesting Date

6.8 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:

For personal use only

(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.

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, including with respect to US Taxpayers US law, 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

For personal use only

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 the shareholders of the Company, 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 6.3;

(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;

(f) amend the definition of "Eligible Persons" to include non-Employed directors; and

(g) amend this Section 9.5 to amend or delete any of (a) through (f) 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;

(b) a change to the general 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, as amended March 23, 2022 and [●], 2026

For personal use only

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 and any Grant Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each amount to be paid or benefit to be provided under the Plan and any Grant Agreement shall be deemed to be a separate and distinct payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything in the Plan to the contrary, to the extent required to avoid accelerated taxation and/or penalties under Section 409A, Participants who are US Taxpayers shall not be considered to have terminated employment with the Company for purposes of any payments under the Plan which are subject to Section 409A until such Participant would be considered to have experienced a Separation from Service.

Notwithstanding the foregoing, the Company makes no representation that any or all of the payments described in this Plan or any Grant Agreement will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties (including any interest or other expenses) 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 to avoid accelerated taxation and/or penalties under 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 provision of Section 409A or any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

For personal use only

For personal use only

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR

LAUREL HILL

North America Toll Free: 1-877-452-7184

Outside North America: 1-416-304-0211

Text Message: Text "INFO" to 416-304-0211 or 1-877-452-7184

Australian CDI Holders : 1-800-861-409

Email: assistance@laurelhill.com