CAPSTONE COPPER CORP. | CONCISE SUMMARY OF CANADIAN TAX CONSIDERATIONS

1.1 Overview

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires, as beneficial owner, Capstone Copper Corp.'s (**Capstone**) common shares (**Shares**) (including by way of CHESS depository interests (**CDIs**) and who for purposes of the *Income Tax Act (Canada)* and the *Income Tax Regulations* (together, the **Tax Act**), at all relevant times, (i) is not, and is not deemed to be, resident in Canada, (ii) holds all Shares as capital property, (iii) deals at arm's length with and is not affiliated with Capstone (for the purposes of the Tax Act), (iv) does not and is not deemed to use or hold any Shares in the course of carrying on a business in Canada, or otherwise in connection with a business carried on in Canada, (v) is not an insurer that carries on business in Canada and elsewhere, (vi) is not an "authorized foreign bank" (as defined in the Tax Act), (vii) has not entered into, with respect to their Shares a "derivative forward agreement", "synthetic disposition arrangement" or a "dividend rental arrangement" each as defined in the Tax Act, (viii) does not receive dividends on the Shares under or as part of a "dividend rental arrangement", as defined in the Tax Act (a **Non-Canadian Holder**). Such Non-Canadian Holders should consult their own tax advisors.

This summary does not address or discuss the effect of the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (**MLI**). The MLI entered into force in Canada on 1 December 2019. When applicable the MLI provides that a benefit under a particular treaty (such as a reduced withholding rate) shall not be granted under certain circumstances. The MLI applies to Canada's tax treaties and conventions with countries which have deposited their instruments of ratification with the Depositary and which have mutually indicated that their treaties or conventions with Canada will be covered by the MLI.

This summary assumes that a purchaser of a CDI acquires a beneficial interest in, and is the beneficial owner of, the Share underlying the CDI.

This summary is based on the current provisions of the Tax Act and counsel's understanding of the published administrative policies and assessing practices of the Canada Revenue Agency (**CRA**) published in writing by the CRA prior to the date hereof and all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (**Canadian Tax Proposals**). This summary assumes that the Canadian Tax Proposals will be enacted substantially as proposed; however, no assurances can be given that the Canadian Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed as, legal, business or tax advice to any particular Non-Canadian Holder and no representations with respect to the tax consequences to any Non-Canadian Holder are made. The tax consequences of acquiring, holding, and disposing of Shares will vary according to the Non-Canadian Holder's particular circumstances. This summary is not exhaustive of all possible Canadian federal

income tax considerations of acquiring Shares. Accordingly, prospective purchasers of Shares should consult their own tax advisors as to the Canadian federal tax consequences, and the tax consequences of any other jurisdiction, applicable to them having regard to their own particular circumstances.

1.2 Currency conversion

Generally, for the purposes of the Tax Act, all amounts calculated in a currency other than the Canadian dollar relating to the acquisition, holding and disposition of the Shares must be converted into Canadian dollars based on the exchange rates determined in accordance with the Tax Act. The amount of dividends required to be included in the income of, and capital gains or capital losses realised by, a Non-Canadian Holder may be affected by fluctuations in the Canadian / Australian dollar exchange rate.

1.3 Dividends

Dividends paid or credited or deemed to be paid, or credited, on the Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of any applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident. Capstone will be required to withhold the tax and remit to the Receiver General for Canada for the account of the Non-Canadian Holder.

Non-Canadian Holders should consult their own advisors to determine their entitlement to relief, if any, under an applicable income tax treaty or convention.

1.4 Disposing of Shares

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition, or deemed disposition, of the Shares unless such shares constitute "taxable Canadian property," as defined in the Tax Act, of the Non-Canadian Holder at the time of disposition and the holder is not entitled to an exemption under the applicable income tax treaty or convention. As long as the Shares are then listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX and ASX) at the time of disposition or deemed disposition, the Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless (a) at any time during the 60-month period immediately preceding the disposition: (i) one or any combination of (A) the Non-Canadian Holder, (B) persons not dealing at arm's length with such Non-Canadian Holder, and (C) partnerships in which the Non-Canadian Holder or a person described in (B) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of our issued shares of any class or series; and (ii) more than 50% of the fair market value of the common shares was derived, directly or indirectly, from one or a combination of real or immoveable property situated in Canada, "Canadian resource properties," as such term is defined in the Tax Act, "timber resource properties," as such term is defined in the Tax Act, or options in respect, interests in, or for civil law rights in, any such properties whether or not the property exists, or (b) the Shares are otherwise deemed to be taxable Canadian property pursuant to certain circumstances prescribed in the Tax Act. If the Shares are considered taxable Canadian property to a Non-Canadian Holder, an applicable income tax treaty or convention may in certain circumstances exempt that Non-Canadian Holder from tax under the Tax Act in respect of the disposition or deemed disposition of the Shares. Non-Canadian Holders of Shares are, or may be, taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

As long as the Shares are listed at the time of their disposition or deemed disposition on a "recognized stock exchange" (which currently includes the TSX and ASX), as defined in the Tax Act, a Non-Canadian Holder who disposes of Shares, as the case may be, that are "taxable Canadian property" will not be required to satisfy the obligations imposed under section 116 of the Tax Act and, as such, the

purchaser of such securities will not be required to withhold any amount on the purchase price paid. An exemption from such requirements may also be available in respect of such disposition if such securities are "treaty-exempt property", as defined in the Tax Act.

Non-Canadian Holders whose Shares are or are deemed to be "taxable Canadian property" should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

1.5 Conversion of Shares and CDIs

There are no Canadian tax consequences on conversion of Shares to CDIs, or vice versa.

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