



DIVERSITY POLICY

1. PURPOSE

Capstone Mining Corp. (“Capstone”) believes that a diverse board of directors (the “Board”) and senior management team, including representation of women, helps to broaden the company’s range of perspectives, experiences and expertise required to deliver results for stakeholders.

Capstone also recognizes that the Board and its senior management appointments must be based on performance, ability, merit and potential. Therefore, Capstone ensures a merit based competitive process for appointments. Capstone’s commitment to diversity including the representation of women on the board is an important factor in the recruitment of directors and senior management.

2. DEFINITION

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another and includes gender and age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

3. SCOPE

Application of This Policy to The Board

The Board’s Corporate Governance and Nominating Committee is responsible for identifying qualified individuals for Board vacancies and recommending director nominees to the Board for the next annual general meeting of the shareholders. In so doing, the Corporate Governance and Nominating Committee will consider:

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

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due regard will be given to the benefits of diversity in order to enable the Board to discharge its duties and responsibilities effectively.

Capstone recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the right competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board appointees/nominees will involve the following steps



(including where Capstone engages an external recruitment agency to identify and assess candidates):

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

On an annual basis, the Corporate Governance and Nominating Committee will (i) assess the effectiveness of the Board appointment/nomination process at achieving Capstone's diversity objectives; and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. The Board may review the company's diversity objectives and progress, and may suggest changes at any time. The Board has set an aspirational target of one female director by 2022. If the Board has not achieved the target representation of women on the board by the target date, then Capstone will disclose in the management information circular that accompanies the annual general meeting of shareholders to describe the process that was undertaken to fill the vacancies.

4. APPLICATION OF THIS POLICY TO SENIOR MANAGEMENT

The Human Resources and Compensation Committee of the Board is responsible for ensuring Capstone has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management. To ensure that Capstone attracts and retains the best talent in senior management and that Capstone provides equal employment opportunities for its senior management, Capstone will recruit and promote individuals based on performance, ability, merit and potential, and with a commitment to supporting diversity at Capstone.

It is an objective of this policy that diversity be considered in connection with succession planning and the appointment of members of Capstone's senior management.

Capstone recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the right competencies and skills can play in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, Capstone will:

- implement practices which address impediments to gender diversity in the workplace and review their availability and utilisation;
- regularly review the proportion of women at all levels of Capstone;
- monitor effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women with leadership potential; and
- continue to identify new ways to entrench diversity as a cultural priority across Capstone.



On an annual basis, the Human Resources and Compensation Committee will (i) assess the effectiveness of the senior management appointment process at achieving Capstone's diversity objectives; and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management. At any given time the Board may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly. Capstone has set an aspirational target for the representation of women in executive officer positions to be 20 percent by 2022. If Capstone has not met this target by the target date, then Capstone will disclose in the management information circular that accompanies the annual general meeting of shareholders to describe the process that was undertaken to fill the vacancies.

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Authorized By:
Board of Directors