



## FRAUD REPORTING AND INVESTIGATION (“WHISTLEBLOWER”) POLICY

### 1. PURPOSE

To help our employees of Capstone Mining Corp. (“Capstone” or “the Company”) report actual or suspected fraud or other ethical concerns.

### 2. OVERVIEW

Our reputation at Capstone for acting ethically and responsibly in all our dealings, both internally and externally, plays a critical role in our success as a business and is reflected in our Values Statement : *Always Accountable; Execute with Excellence; Deliver Results; and Work Responsibly* and in Our Values and Ethics - Code of Conduct Policy (“Code of Conduct”).

Capstone recognizes that all our employees are individually accountable for helping to maintain this reputation. As communicating a concern regarding unethical behaviour can be a sensitive matter, a formal "whistleblower hotline" has been established which is available to all Capstone employees and externally. This hotline provides a formal, simple, and safe channel to report concerns regarding fraud or significant ethical issues relating to Company or individual conduct, and brings such issues to the attention of Capstone Vice President, Legal, Risk & Governance and Chair of the Audit Committee. Whether it is a concern regarding actual or suspected fraud, financial reporting and/or internal controls, we want to ensure that employees can raise a concern confidentially and anonymously, and be confident that these concerns will be heard and appropriately investigated without fear of retribution.

### 3. SCOPE

This policy applies to any known or suspected financial and ethical irregularities involving employees as well as directors, shareholders, consultants, vendors, contractors, and/or any other parties in a business relationship with Capstone.

### 4. WHISTLEBLOWER PROGRAM

#### Reporting a Concern

If concerns exist about matters which are ethically questionable, incorrect, misleading or fraudulent, employees are urged to come forward with such concerns regardless of the position of the person or persons responsible for the subject of the concern.

Consideration should first be given to raising the concern directly with the individual employee, the employee’s manager, or members of the local management team.

Should individuals be more comfortable reporting concerns via a confidential and anonymous channel, a whistleblower hotline is also available. Capstone has engaged Integrity Counts, a



Canadian provider of global ethics reporting services, as an independent and external administrator of this hotline.

Integrity Counts contact details for reporting a concern are provided below based on region so employees can interact with administrators in respective local languages:

- North America - call Toll Free: 1-866-921-6714
- Mexico - call Toll Free: 001-800-099-0642
- Chile - call Toll Free: 12300203914 or 188-800-801-033
- Email: [capstone@integritycounts.ca](mailto:capstone@integritycounts.ca)
- Website: <https://www.integritycounts.ca/org/capstone>

The Audit Committee of Capstone's Board of Directors is responsible for the integrity of financial reporting and overseeing the system of internal controls implemented by Capstone to prevent and detect fraud. As such, the Chairman of the Audit Committee will receive all complaints directly via Integrity Counts or indirectly (via senior management if informal channels are used to raise an ethical concern).

Upon filing a complaint with Integrity Counts, the employee's identity will be protected, and they can choose to remain anonymous. If a name is provided, the whistleblower will be contacted within three days and will be notified of planned follow-up action as appropriate.

### **Investigations**

Capstone's Audit Committee will initiate the appropriate investigations based on the whistleblower reports it receives.

### **Employee Protection**

Any employee reporting these concerns will be protected from potential adverse personal impacts associated with filing a complaint. That is our commitment to you. In conducting any investigation, all reasonable efforts will be made to protect an employee's anonymity.

Additionally, Capstone strictly prohibits retaliatory action against any employee who, in good faith, reports a possible violation via either formal or informal whistleblowing channels. Furthermore, no employee will be adversely impacted for reasonably refusing to carry out a directive which they consider to be in violation of our Code of Conduct or Values Statement.

However, in recognizing the significance of this policy, reporting intentionally false accusations will result in disciplinary action which may include termination.

## **5. QUESTIONS ABOUT THIS POLICY**

Should employees have any questions or concerns regarding this Policy, please contact Capstone's VP, Legal, Risk and Governance or local management.



**Issue Date:** July 29, 2014  
**Review:** Annually  
**Revised** November 4, 2019  
**Date:**

**Authorized By:**  
  
Darren Pylot