

July 11, 2018

Capstone Mining 2018 Second Quarter Production Results

Vancouver, British Columbia - Capstone Mining Corp. ("Capstone") (TSX: CS) today announced production results for the three and six months ended June 30, 2018. Combined production totalled 20,000 and 39,200 tonnes of copper in the second quarter and year-to-date periods, respectively, with additional by-products of zinc, molybdenum, lead, silver and gold.

Q2 and YTD 2018 Copper Production (tonnes)

	Q1	Q2	YTD 2018
Pinto Valley	11,400	13,400	24,800
Cozamin	4,300	3,500	7,800
Total copper production from continuing operations ⁽¹⁾	15,700	16,900	32,600
Minto	3,500	3,100	6,600
Total copper production ⁽¹⁾	19,200	20,000	39,200

(1) Total production includes copper in concentrate and cathode production.

"Copper production in the second quarter from Pinto Valley and Cozamin was within our guided range," said Darren Pylot, President and CEO of Capstone. "An optimization review at Pinto Valley is underway, with a number of opportunities identified that are expected to have a positive impact on production going forward."

"The Minto sale to Pembridge Resources Plc is expected to close later this month," continued Mr. Pylot.

Operational Summary

- At Pinto Valley, production increased compared with the first quarter as result of higher than planned grade and improved recoveries. Production remains within the guided range at the mid point of the year, with the mine plan calling for rising grade in the second half of the year versus the first half.
- At Cozamin, copper production for the quarter was as planned. Zinc production increased from the prior quarter as processing of zinc development ore began to ramp up from the San Rafael zinc zone.
- At Minto, production for the quarter was lower than planned as a number of modifications to the mine plan were made. The transaction for the sale of Minto to Pembridge Resources is expected to be completed within the next few weeks.

Q2 and YTD 2018 Operating Details

	Pinto Valley		Cozamin		Minto	
	Q2	YTD 2018	Q2	YTD 2018	Q2	YTD 2018
Contained Production ⁽¹⁾						
- Copper (tonnes)	13,420	24,841	3,519	7,805	3,090	6,621
- Zinc (tonnes)	-	-	1,548	2,342	-	-
- Molybdenum (tonnes)	19	48	-	-	-	-
- Lead (tonnes)	-	-	308	329	-	-
- Silver (ounces) ⁽²⁾	76,920	147,355	252,922	503,097	29,583	64,987
- Gold (ounces) ^{(2) (3)}	401	575	-	-	2,605	5,059
Payable Copper Production ⁽¹⁾ (tonnes) (in concentrate and cathode)	12,963	24,000	3,373	7,488	2,990	6,406
Mine						
- Ore (tonnes) – open pit	4,562,092	9,627,796	-	-	72,402	546,951
- Waste (tonnes)	6,815,118	13,604,255	-	-	1,991	1,314,504
- Ore (tonnes) – underground	-	-	227,643	442,585	79,588	170,509
Mill						
- Tonnes processed	4,627,904	9,462,338	224,216	437,127	288,432	655,011
- Tonnes processed per day	50,856	52,278	2,464	2,415	3,170	3,619
- Copper grade (%) ⁽⁴⁾	0.33	0.30	1.66	1.87	1.23	1.19
- Zinc grade (%)	-	-	1.04	0.84	-	-
- Molybdenum grade (%)	0.006	0.006	-	-	-	-
- Lead grade (%)	-	-	0.29	0.18	-	-
- Silver grade (g/t)	*	*	45.28	45.11	4.2	4.1
- Gold grade (g/t)	*	*	-	-	0.38	0.36
Recoveries						
- Copper (%)	86.2 ⁽⁴⁾	84.8 ⁽⁴⁾	94.61	95.51	86.8	84.7
- Zinc (%)	-	-	66.44	64.01	-	-
- Lead (%)	-	-	48.10	40.69	-	-
- Silver (%)	*	*	77.49	79.36	76.4	75.7
- Gold (%)	*	*	-	-	63.8	59.2
Concentrates						
- Copper concentrate (dmt)	47,881	91,728	13,581	29,391	8,152	17,142
Copper (%)	27.3	26.2	25.91	26.55	37.9	38.6
Silver (g/t)	*	*	517	501	113	118
Gold (g/t)	*	*	-	-	8.6	8.2
- Zinc concentrate (dmt)	-	-	3,259	4,926	-	-
Zinc (%)	-	-	47.48	47.55	-	-
- Molybdenum concentrate (dmt)	38	96	-	-	-	-
- Lead concentrate (dmt)	-	-	494	532	-	-
Lead (%)	-	-	62.32	61.75	-	-
Silver (g/t)	-	-	1,717	1,745	-	-
Payable Copper Shipped (tonnes)	11,190	23,321	3,194	7,025	-	3,984

(1) Adjustments based on final settlements will be made in future periods. (2) Silver and gold at Pinto Valley and gold at Minto are not assayed on site, resulting in a significant lag time in receiving this data. As such, these figures are estimates and for Minto includes gold contained in copper concentrate and gold contained in gold concentrate produced. (3) Pinto Valley gold production reaches payable levels from time to time. Any payable gold production will be reported in the period revenue is received. (4) Grade and recoveries were estimated based on concentrate production and may be impacted by settlements from prior production periods. *Silver and gold have not been estimated in the Pinto Valley resource model. Only recovered silver and payable gold is reported for this mine.

Operating Outlook

Capstone's 2018 copper production guidance for Pinto Valley and Cozamin remains unchanged at (tonnes +/-5%) 56,000 and 15,000, respectively. Capstone has entered into a definitive agreement for the sale of the Minto mine, with the transaction expected to close in July 2018.



Financial Results Timing

Capstone will report Q2 2018 financial results on Tuesday, July 31, 2018 after market close, followed by a conference call and webcast for investors and analysts on Wednesday, August 1, 2018 at 11:30 am Eastern Time (8:30 am Pacific Time).

Conference Call and Webcast Details

Date: Wednesday, August 1, 2018
Time: 11:30 am Eastern Time (8:30 am Pacific Time)
Dial in: North America: 1-888-390-0546, International: +416-764-8688
Webcast: <https://event.on24.com/wcc/r/1679032/50134473A997CEF460B4AB58062FF714>
Replay: North America: 1-888-390-0541, International: +416-764-8677
Replay Passcode: 519478#

The conference call replay will be available until Wednesday, August 8, 2018. The conference call audio and transcript will be available on Capstone's website within 48 hours of the call at <http://capstonemining.com/investors/events-and-presentations/default.aspx>.

About Capstone Mining Corp.

Capstone Mining Corp. is a Canadian base metals mining company, focused on copper. We are committed to the responsible development of our assets and the environments in which we operate. Our three producing mines are the Pinto Valley copper mine located in Arizona, US, the Cozamin polymetallic mine in Zacatecas State, Mexico and the Minto copper mine in Yukon, Canada. In addition, Capstone has the large scale 70% owned copper-iron Santo Domingo development project in Region III, Chile, in partnership with Korea Resources Corporation as well as a portfolio of exploration properties. Capstone's strategy is to focus on the optimization of operations and assets in politically stable, mining-friendly regions, centred in the Americas. Our headquarters are in Vancouver, Canada and we are listed on the Toronto Stock Exchange (TSX). Further information is available at www.capstonemining.com.

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Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document and Capstone does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect our expectations or beliefs regarding future events. Forward-looking statements include, but are not limited to, statements with respect to the estimation of mineral resources and mineral reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures, the success of our mining operations, environmental risks, unanticipated reclamation expenses and title disputes. In certain cases, forward-looking statements can be identified by the



use of words such as “plans”, “expects”, “expected”, “potentially”, “guidance” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “guidance”, “planned”, “expected” and “expectations”. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated with mining operations, assumptions related to geotechnical condition of tailings facilities, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, changes in general economic conditions, accuracy of mineral resource and mineral reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities, impact of climatic conditions on our Pinto Valley, Cozamin and Minto operations, aboriginal title claims and rights to consultation and accommodation, land reclamation and mine closure obligations, uncertainties and risks related to the potential development of the Santo Domingo Project, increased operating and capital costs, challenges to title to our mineral properties, dependence on key management personnel, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, increasing energy prices, competition in the mining industry, risks associated with joint venture partners, our ability to integrate new acquisitions into our operations, cybersecurity threats and other risks of the mining industry as well as those factors detailed from time to time in the Company’s interim and annual financial statements and management’s discussion and analysis of those statements, all of which are filed and available for review under the Company’s profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our forward-looking statements.

National Instrument 43-101 Compliance

Unless otherwise indicated, Capstone has prepared the technical information in this news release (“Technical Information”) based on information contained in the technical reports, news releases and MD&A’s (collectively the “Disclosure Documents”) available under Capstone Mining Corp.’s company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by, or under the supervision of, a qualified person (a “Qualified Person”) as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“NI 43-101”). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The technical information in this news release (“Technical Information”) was prepared by, or under the supervision of, a qualified person (a “Qualified Person”) as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“NI 43-101”). The disclosure of the Technical Information contained in this news release has been reviewed and approved by Gregg Bush, P.Eng., Capstone Senior Vice President and Chief Operating Officer, a Qualified Person under NI 43-101.