

October 13, 2016

Capstone Mining 2016 Third Quarter Production Results

Vancouver, British Columbia - Capstone Mining Corp. (“Capstone”) (TSX: CS) today announced production results for the three and nine months ended September 30, 2016. Combined production totalled 32,000 and 84,700 tonnes of copper in the third quarter and year-to-date periods, respectively, with additional by-products of zinc, molybdenum, lead, silver and gold.

Q3 2016 Copper Production (tonnes)

	Q1	Q2	Q3	YTD 2016
Pinto Valley	16,400	18,800	16,600	51,800
Cozamin	3,700	3,300	3,400	10,300
Minto	4,500	6,000	12,000	22,600
Total copper production ⁽¹⁾	24,600	28,100	32,000	84,700

Totals may not add due to rounding. (1) Total production includes copper in concentrate and cathode production.

“Consolidated copper production continued to be very strong in the third quarter, setting a second consecutive all-time production record for Capstone,” said Darren Pylot, President and CEO of Capstone. “Pinto Valley continues to demonstrate its potential, maintaining throughput at a record pace, with the high grade ore from Minto North also contributing to record production for the quarter.”

Operational Highlights

- At Pinto Valley, throughput continued above plan, setting a fourth straight quarterly throughput record of 57,300 tonnes per day (“tpd”) as well as achieving new monthly and daily throughput records of 58,000 tpd in August and 63,900 tpd in September, respectively. Grade was higher than planned, with recoveries just marginally below expectations.
- At Cozamin, production was consistent with the guidance revised at the end of the second quarter. Development rates have undergone a steady improvement through the third quarter and a number of improvements implemented throughout the year have development progressing in accordance with the revised forecast.
- At Minto, production continued well above plan, reaching the levels projected in the mid-year increased Minto guidance. Copper grade averaged over 3% for the quarter, reflecting a full quarter of processing Minto North high grade ore. The mill recorded a quarterly throughput record and recoveries were strong due to the lower than expected oxide content in the Minto North ore. Open pit mining of the Minto North pit was completed at the end of September and the mill is now processing high grade stockpile combined with underground ore. Underground mining continued through the third quarter and is planned to extend to mid-2017, as additional areas of high-grade underground ore continue to be mined.

Operating Outlook

- Capstone’s 2016 production guidance for 108,000 tonnes (±5%) of copper remains unchanged, however, with strong performance three quarters of the way through the year, Capstone expects to finish the year at the high end of the consolidated guidance range.

Q3 2016 Operating Details

	Pinto Valley		Cozamin		Minto	
	Q3	YTD 2016	Q3	YTD 2016	Q3	YTD 2016
Contained Production ⁽¹⁾						
- Copper (tonnes)	16,658	51,799	3,358	10,306	12,010	22,625
- Zinc (tonnes)	-	-	1,352	3,092	-	-
- Molybdenum (Mo tonnes)	28	77	-	-	-	-
- Lead (tonnes)	-	-	24	93	-	-
- Silver (ounces)	89,753	282,506	235,340	735,408	152,714	255,122
- Gold (ounces) ⁽²⁾	478	1,182	-	-	15,878	23,873
Payable Copper Production ⁽¹⁾ (tonnes) (in concentrate and cathode)	16,092	50,058	3,229	9,888	11,620	21,890
Mine						
- Ore (tonnes) – open pit	6,014,657	17,243,804	-	-	706,100	1,505,651
- Waste (tonnes)	5,194,254	14,361,398	-	-	866,274	5,584,619
- Ore (tonnes) – underground	-	-	254,686	737,596	44,379	176,445
Mill						
- Tonnes processed	5,271,183	15,339,421	254,875	742,433	394,455	1,135,869
- Tonnes processed per day	57,295	55,983	2,770	2,710	4,288	4,146
- Copper grade (%)	0.36 ⁽³⁾	0.37 ⁽³⁾	1.39	1.47	3.16	2.08
- Zinc grade (%)	-	-	0.75	0.67	-	-
- Molybdenum grade (%)	0.006	0.007	-	-	-	-
- Lead grade (%)	-	-	0.06	0.07	-	-
- Silver grade (g/t)	*	*	40	43	13	8
- Gold grade (g/t)	*	*	-	-	1.87	0.98
Recoveries						
- Copper (%)	86.5 ⁽³⁾	87.9 ⁽³⁾	94.7	94.7	96.4	95.8
- Zinc (%)	-	-	70.4	62.1	-	-
- Lead (%)	-	-	14.2	17.4	-	-
- Silver (%)	*	*	71.2	71.6	90.8	86.3
- Gold (%)	*	*	-	-	67.1	66.9
Concentrates						
- Copper concentrate (dmt)	55,864	175,833	12,134	39,034	25,078	52,123
Copper (%)	29.0	28.6	27.7	26.4	47.9	43.4
Silver (g/t)	*	*	592	573	189	152
Gold (g/t)	*	*	-	-	19.69	14.24
- Zinc concentrate (dmt)	-	-	2,764	6,531	-	-
Zinc (%)	-	-	48.9	47.3	-	-
- Molybdenum concentrate (dmt)	57	162	-	-	-	-
- Lead concentrate (dmt)	-	-	40	162	-	-
Lead (%)	-	-	57.6	57.1	-	-
Silver (g/t)	-	-	3,297	3,050	-	-
Payable Copper Shipped (tonnes)	17,021	50,463	3,268	10,684	10,070	19,746

(1) Adjustments based on final settlements will be made in future periods. (2) Pinto Valley gold production reaches payable levels from time to time. Any payable gold production will be reported in the period revenue is received. At Minto, final gold production is not available since assaying is conducted off-site, but is estimated above. (3) Grade and recoveries were estimated based on concentrate production. *Silver and gold have not been estimated in the Pinto Valley resource model. Only recovered silver and payable gold is reported for this mine.



Financial Results Timing

Capstone will report Q3 2016 financial results on Tuesday, October 25, 2016 after market close, followed by a conference call and webcast for investors and analysts on Wednesday, October 26, 2016 at 11:30 am Eastern Time (8:30 am Pacific Time).

Conference Call and Webcast Details

Date: Wednesday, October 26, 2016
Time: 11:30 am Eastern Time (8:30 am Pacific Time)
Dial in: North America: 1-888-390-0546, International: +416-764-8688
Webcast: <http://event.on24.com/r.htm?e=1239352&s=1&k=8BAA23C969A4C534E3BE63477AC38ADA>
Replay: North America: 1-888-390-0541, International: +416-764-8677
Replay Passcode: 651862#

The conference call replay will be available until Wednesday, November 2, 2016. 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 copper-silver mine in Zacatecas State, Mexico and the Minto copper mine in Yukon, Canada. In addition, Capstone has two development projects; the large scale 70% owned copper-iron Santo Domingo project in Region III, Chile, in partnership with Korea Resources Corporation, and the 100% owned Kutcho copper-zinc project in British Columbia, Canada, as well as exploration properties in Chile and US. 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”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” 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” and “expected”. 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

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.