

October 11, 2018

## Capstone Mining Places Minto Mine on Temporary Care and Maintenance

**Vancouver, British Columbia** - Capstone Mining Corp. (“Capstone” or the “Company”) (TSX: CS) and Pembridge Resources plc (“Pembridge”) have elected to terminate the agreement for the sale of the Minto Mine (“Minto”) (the “Transaction”). Due to unfavourable equity market conditions, Pembridge has been unsuccessful in completing the financing required to complete the Transaction. Additionally, to preserve Minto’s value, Capstone is putting Minto on temporary care and maintenance, while continuing to explore value maximizing alternatives, including discussions with Pembridge and other potentially interested parties.

Mining operations will cease imminently with milling operations expected to be completed in the next few weeks once the current ore stockpile is processed. Costs to place the mine on care and maintenance are estimated to be approximately US\$5 million in each of 2018 and 2019, with the ongoing costs expected to be under US\$4 million annually thereafter for environmental compliance and other activities. Approximately 200 employees and contractors will be affected. Minto will retain a core team of employees to oversee the site and meet environmental monitoring and legal obligations during the care and maintenance phase.

“The decision to put Minto on care and maintenance while we seek alternatives is to preserve and maximize its value,” said Darren Pylot, President and Chief Executive Officer of Capstone. “The team will ensure Minto can be restarted efficiently and safely once the copper and equity markets improve. Minto has been an important part of Capstone’s history and we thank the team at Minto for their commitment and dedication.”

### 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 two producing mines are the Pinto Valley copper mine located in Arizona, US and the Cozamin polymetallic mine in Zacatecas State, Mexico. 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, the Minto copper mine in Yukon, Canada currently on care and maintenance, 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](http://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 timing and



anticipated cost of care and maintenance activities at Minto. 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 “potentially”, “expected” and “estimated”. 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 the operation and closure of mining projects, future prices of copper and other metals, changes in general economic conditions, 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](http://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.