

April 24, 2018

Capstone Mining First Quarter 2018 Financial Results

(All amounts in US\$ unless otherwise specified)

Vancouver, British Columbia - Capstone Mining Corp. (“Capstone” or the “Company”) (TSX: CS) today announced its financial results for the quarter ended March 31, 2018. Operating cash flow before changes in working capital¹ from all operations was \$24.6 million or \$0.06 per share, with net income from continuing operations of \$10.3 million and adjusted net income from continuing operations of \$10.6 million or \$0.03 per share after adjusting for certain non-cash and non-recurring charges. Copper production from continuing operations totalled 15,706 tonnes (15,152 tonnes of payable copper) at a C1 cash cost¹ from continuing operations of \$1.95 per payable pound produced.

“Capstone reported positive net income and cash flow in the first quarter of 2018, on contributions from both Pinto Valley and Cozamin,” said Darren Pylot, President and CEO of Capstone. “We also announced the sale of our Minto Mine for \$37.5 million of cash plus working capital.”

“Additionally, we updated our 2018 guidance to reflect the decision to mine the San Rafael Zinc Zone, which is expected to significantly increase our by-product revenue at Cozamin” continued Mr. Pylot.

As of March 31, 2018, Minto is treated as a discontinued operation for financial reporting purposes. To comply with disclosure requirements, Capstone’s results have been adjusted to exclude Minto’s contribution in certain cases, and are referred to throughout this release as “continuing operations”. Please refer to financial statements ended March 31, 2018 for further information.

Financial and Operational Overview

	Q1 2018	Q1 2017
Revenue ^{(2), (3), (4)} (\$ millions)	103.7	97.9
Copper produced by continuing operations (tonnes)	15,706	15,430
Payable copper produced by continuing operations (tonnes)	15,152	14,890
<i>C1 cash cost per payable pound produced</i> ⁽¹⁾ (\$/lb)	<i>1.95</i>	<i>1.95</i>
<i>All-in sustaining cost per payable pound produced</i> ⁽¹⁾ (\$/lb)	<i>2.59</i>	<i>2.48</i>
Net Income (loss) from continuing operations (\$ millions)	10.3	(13.1)
Net Income (loss) from continuing operations attributable to shareholders (\$ millions)	10.5	(13.3)
<i>Net income (loss) from continuing operations attributable to shareholders per common share</i> (\$)	<i>0.03</i>	<i>(0.03)</i>
Adjusted net income (loss) from continuing operations ⁽¹⁾ (\$ millions)	10.6	(7.7)
Adjusted net income (loss) from continuing operations attributable to shareholders ⁽¹⁾ (\$ millions)	10.8	(7.8)
<i>Adjusted net income (loss) attributable to shareholders per common share</i> ⁽¹⁾ (\$)	<i>0.03</i>	<i>(0.02)</i>
Cash flow from operating activities ⁽⁴⁾ (\$ millions)	32.8	22.0
<i>Cash flow from operating activities per common share</i> ^{(1), (4)} (\$)	<i>0.08</i>	<i>0.06</i>
Operating cash flow before changes in working capital ^{(1), (4)} (\$ millions)	24.6	24.2
<i>Operating cash flow before changes in working capital per common share</i> ^{(1), (4)} (\$)	<i>0.06</i>	<i>0.06</i>
Long term debt (excluding financing fees) (\$ millions)	274.9	308.9
Net debt ⁽¹⁾ (\$ millions)	160.1	199.5

² Q1 2018 includes a provisional pricing adjustment of \$(2.3) million (2017 - \$2.2 million) related to prior shipments, equivalent to \$(0.07) per pound (2017 - \$0.06 per pound) of copper sold during the quarter.

³ Q1 2018 adjusted realized copper price does not include any realized derivative losses (2017 loss – \$11.6 million) equivalent to nil per pound (2017 loss - \$(0.29) per pound) related to copper derivative contracts exercised during the quarter.

⁴ In accordance with IFRS 5, Minto’s results are excluded from revenue in both the current and comparative period. Minto’s results are included within cash flow amounts in both the current and comparative period.

1. This is an alternative performance measure; please see “Alternative Performance Measures” at the end of this release. Certain prior period alternative performance measures have been restated to conform with current period classification.



Financial and Operational Highlights for the Quarter Ended March 31, 2018

- Net income from continuing operations of \$10.3 million. The net income was attributable to higher realized copper prices of \$2.98 per pound compared to \$2.73 per pound in 2017.
- The absence of any commodity derivative losses as Capstone has been completely unhedged from the beginning of 2018.
- Cash flow from operating activities of \$32.8 million or \$0.08 per common share.
- Working capital decreased by \$5.4 million to \$184.0 million at March 31, 2018 from \$189.4 million at December 31, 2017.
- Operating cash flow before changes in working capital¹ of \$24.6 million or \$0.06 per share was slightly higher due to higher operating cash flows at Cozamin, primarily due to higher copper prices, the absence of any negative forward commodity derivative contracts settlements in Q1 2018, mostly offset by lower operating cash flows at Minto.
- Produced a total of 15,152 tonnes of payable copper from continuing operations at a C1 cash cost¹ of \$1.95 per pound of payable copper produced.
- Revenue of \$103.7 million generated primarily from the sale of 15,962 tonnes of copper from continuing operations.

Production and Additional Highlights for the Quarter Ended March 31, 2018

Pinto Valley Mine:

- Produced 11,421 tonnes of copper during Q1 2018 at a C1 cash cost¹ of \$2.41 per pound of payable copper produced and all-in sustaining cost¹ of \$2.96 per pound of payable copper produced.
- At Pinto Valley, production was lower than planned with throughput and recoveries at the low end of expectations due to unplanned downtime. Grade was in line with the mine plan for the quarter, with higher head grade and production expected over the remainder of the year.

Cozamin Mine:

- Produced 4,285 tonnes of copper during Q1 2018 at a C1 cash cost¹ of \$0.71 per pound of payable copper produced and all-in sustaining cost¹ of \$1.43 per pound of payable copper produced.
- At Cozamin, production for the quarter was better than expected from higher grade.
- Metallurgical test work was completed around the technical and economic recoverability of the existing zinc resource in the San Rafael zinc zone. This resulted in a revision to the mine plan, bringing in additional zinc resources, starting in July. It is expected that in 2018 this could double contained zinc production (an additional 7 million pounds) and lower C1 cash cost¹ by \$0.25 per pound of payable copper produced and all-in sustaining cost¹ by \$0.15 per payable pound produced. Additional zinc production of between 7 million and 12 million pounds per year and approximately 200,000 ounces of silver per year are anticipated, with associated increases to by-product credits over the next three years. Copper production remains unchanged as the added zinc processing will come from existing unutilized mill capacity.

Operating Outlook

Capstone's consolidated production and cost guidance from continuing operations remains unchanged for the full year.

Cozamin's cost guidance has been updated to reflect lower unit costs resulting from the additional zinc resources expected to be mined from the San Rafael deposit in 2018, lowering Cozamin's expected 2018 C1 cash cost¹ by approximately \$0.25 and all-in sustaining cost¹ by approximately \$0.15 per payable pound of copper produced. Cozamin's 2018 capital guidance has been increased by \$3.0 million as a result of this change, primarily related to

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the additional required development to access the San Rafael zone. Cozamin's expected 2018 copper production remains unchanged.

Exploration cost guidance is unchanged. Consolidated capital guidance is \$90.0 million with the addition of the \$3.0 million development expenditure related to San Rafael zone at Cozamin.

Conference Call and Webcast Details

Capstone will hold a conference call and webcast on Wednesday, April 25, 2018 at 11:30 a.m. Eastern time (8:30 a.m. Pacific time) to discuss these results; call-in details and information on associated slides are provided below. This release is not suitable on a standalone basis for readers unfamiliar with Capstone and should be read in conjunction with Capstone's consolidated financial statements and management's discussion and analysis ("MD&A") for the quarter ended March 31, 2018, which are available on Capstone's website at <http://capstonemining.com/investors/financial-reporting/default.aspx> and on SEDAR, all of which have been reviewed and approved by Capstone's Board of Directors. An updated corporate presentation, including results to March 31, 2018 and Q1 webcast slides will also be available at <http://capstonemining.com/investors/events-and-presentations/default.aspx>.

Date: Wednesday, April 25, 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: <http://event.on24.com/r.htm?e=1626391&s=1&k=ED9664FBED1580A051E48EE6D0B7D2E2>
Replay: North America: 1-888-390-0541, International: +416-764-8677
Replay Passcode: 285507#

The conference call replay will be available until Wednesday, May 2, 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.

For further information please contact:

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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.

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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 “anticipate”, “guidance”, “plan” 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, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, Capstone’s ability to acquire properties for growth, 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, uncertainties related to the proposed transaction for the sale of Minto Explorations Ltd., uncertainties related to the proposed transaction for the sale of Minto Explorations Ltd., increased operating and capital costs, challenges to title to our mineral properties, maintaining ongoing social license to operate, 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, legal proceedings 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., Senior Vice President and Chief Operating Officer. Technical

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Information related to mineral exploration activities has been reviewed and approved by Brad Mercer, P. Geol., Senior Vice President, Exploration. Both are Qualified Persons under NI 43-101.

Alternative Performance Measures

The items marked with a "1" are alternative performance measures and readers should refer to Alternative Performance Measures in the Company's Consolidated Management's Discussion and Analysis for the quarter ended March 31, 2018 as filed on SEDAR and as available on the Company's website.

Cautionary Note to United States Investors

This news release contains disclosure that has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of US securities laws. Without limiting the foregoing, this news release may refer to technical reports that use the terms "indicated" and "inferred" resources. US investors are cautioned that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under US standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. US investors are cautioned not to assume that all or any part of indicated resources will ever be converted into reserves. US investors should also understand that "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of "inferred resources" will ever be upgraded to a higher category. Therefore, US investors are also cautioned not to assume that all or any part of inferred resources exist, or that they can be mined legally or economically. Accordingly, information concerning descriptions of mineralization and resources contained in this news release may not be comparable to information made public by US companies subject to the reporting and disclosure requirements of the SEC.

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