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Capstone Mining Announces High Grade Step-out Holes at Cozamin Mine

Vancouver, British Columbia - Capstone Mining Corp. ("Capstone" or the "Company") (TSX: CS) today announced high grade results from step-out drilling at its Cozamin Mine in Mexico, which will be included in a re-estimation of mineral resources in the Mala Noche Footwall Zone ("MNFWZ") later this year. Since the last Mineral Resource estimate, effective March 31, 2018, Capstone has completed 46 additional holes, including 23 step-out holes beyond the boundaries of the March 31 model. Drill intercepts underpinning Capstone's decision to re-estimate the Mineral Resource are summarized below in Table 1.

Table 1 – Selected MNFWZ Drilling Completed Since March 31, 2018 Mineral Resource Estimate

Section ID #	Drill hole ID	Type	From (m)	To (m)	Width (m)	True Width* (m)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
4	CG-18-S323	step-out	657.4	673.3	15.9	15.4	3.88	0.12	0.01	63.1	0.02
	including		662.4	673.3	10.9	10.6	5.39	0.17	0.01	88.6	0.02
6	CG-18-S331	step-out	690.4	698.5	8.1	8.0	2.08	0.07	0.01	69.9	0.15
9	CG-18-S337	step-out	648.8	666.7	17.9	17.1	2.19	0.07	0.01	39.3	0.01
	including		663.5	666.1	2.6	2.5	4.47	0.11	0.01	68.3	0.02
12	CG-18-S343	step-out	542.3	558.5	16.2	14.8	5.34	0.80	0.03	112.3	0.05
	including		548.6	557.8	9.2	8.4	8.00	1.02	0.04	157.9	0.06
16	CG-18-U474	step-out	661.5	672.0	10.5	9.7	2.26	0.19	0.02	40.3	0.01
	and		676.9	678.9	2.0	1.9	1.80	0.07	0.01	29.0	0.00

*estimated true width of vein intercept for inclined drill holes

"Given the grade and substantially thicker intervals in multiple new drill intercepts, including holes well up-dip of the March 31 resource model, we have decided to re-estimate the MNFWZ Mineral Resource," said Brad Mercer, Senior Vice President of Exploration at Capstone. "We have completed drilling up-dip and along strike, and to a lesser extent down-dip, from the March 2018 Mineral Resource estimate. We intend to keep drilling with five to six drills for the remainder of 2018, both stepping out and infilling the MNFWZ extension."

A Cozamin technical review is underway and a technical report is expected to be completed later this year. The review will target the March 31 Mineral Resource for conversion to mineral reserves, update the resource estimate to include the additional drilling since the March 31 update and will also include the materials handling study currently underway. This study is assessing options to increase Cozamin's copper output by debottlenecking the mine in order to take advantage of the current 20% unutilized mill capacity.

"We are extremely optimistic about Cozamin's future based on our recent exploration success," said Darren Pylot, Capstone's President and CEO. "This low cost mine is going through a paradigm shift as we continue to unlock its potential value through ongoing exploration and evaluation of various scenarios to increase copper production."

The full results for all MNFWZ holes completed since the March 31, 2018 Mineral Resource estimate are in Table 2 below. For drill hole location and context please view the long-section of the MNFWZ at: http://capstonemining.com/files/images/maps/MNFWZ-Sept2018.pdf.

Table 2 – All MNFWZ Drilling Completed Since March 31, 2018 Mineral Resource Estimate

Section ID #	Drill hole ID	Type	From (m)	To (m)	Width (m)	True Width* (m)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
1	CG-18-S315	step-out	681.9	695.4	13.5	12.0	1.50	0.47	0.01	22.9	0.01
2	CG-18-S317	step-out	728.4	729.0	0.6	0.6	0.95	0.07	0.01	24.3	0.01
3	CG-18-S318	step-out	970.7	971.2	0.5	0.4	2.69	0.12	0.03	33.5	0.00
4	CG-18-S323	step-out	657.4	673.3	15.9	15.4	3.88	0.12	0.01	63.1	0.02
	including		662.4	673.3	10.9	10.6	5.39	0.17	0.01	88.6	0.02
5	CG-18-S325	step-out	686.2	688.2	2.0	1.8	0.06	0.21	0.04	22.2	0.04
6	CG-18-S331	step-out	690.4	698.5	8.1	8.0	2.08	0.07	0.01	69.9	0.15
7	CG-18-S332	step-out	640.3	642.3	2.0	2.0	5.85	0.19	0.01	97.7	0.04
8	CG-18-S334	step-out	641.8	651.3	9.5	9.3	1.50	0.06	0.01	32.0	0.01
9	CG-18-S337	step-out	648.8	666.7	17.9	17.1	2.19	0.07	0.01	39.3	0.01
	including		663.5	666.1	2.6	2.5	4.47	0.11	0.01	68.3	0.02
10	CG-18-S339	step-out	483.7	486.8	3.1	2.6	0.90	0.03	0.01	21.0	0.03
	and		499.0	503.5	4.5	3.8	1.75	0.07	0.01	34.3	0.09
11	CG-18-S342	step-out	674.8	675.5	0.7	0.6	3.32	0.12	0.01	59.0	0.02
12	CG-18-S343	step-out	542.3	558.5	16.2	14.8	5.34	0.80	0.03	112.3	0.05
	including		548.6	557.8	9.2	8.4	8.00	1.02	0.04	157.9	0.06
13	CG-18-S344	step-out	611.0	618.2	7.2	7.0	1.42	0.05	0.01	31.1	0.01
	including		611.0	615.9	4.9	4.7	1.85	0.06	0.01	40.2	0.01
14	CG-18-S346	step-out	568.3	569.4	1.1	0.9	0.47	0.07	0.01	8.2	0.07
	and		599.0	601.2	2.2	1.8	0.72	0.20	0.15	43.0	0.02
15	CG-18-U472	step-out	663.7	665.0	1.3	1.1	0.76	0.02	0.00	9.0	0.01
	and		677.1	677.6	0.5	0.4	0.99	0.06	0.01	21.0	0.04
16	CG-18-U474	step-out	661.5	672.0	10.5	9.7	2.26	0.19	0.02	40.3	0.01
	and		676.9	678.9	2.0	1.9	1.80	0.07	0.01	29.0	0.00
17	CG-18-S348	step-out	609.5	642.7	33.2	28.5	0.67	0.05	0.03	15.6	0.03
	including		635.7	642.7	7.0	6.0	2.1	0.17	0.13	44.3	0.06
18	CG-18-S347	step-out	assays pending								
19	CG-18-S349	step-out	assays pending								
20	CG-18-S351	step-out	assays pending								
21	CG-18-S352	step-out	assays pending								
22	CG-18-S353	step-out	assays pending								
23	CG-18-S354	step-out	assays pending								
24	CG-18-S355	step-out	in progress								
25	CG-18-S356	step-out	in progress								
26	CG-18-S357	step-out	in progress								
27	CG-18-U477	step-out	in progress								
28	CG-18-S314	infill	777.1	782.3	5.2	4.4	5.20	0.93	0.26	130.8	0.03
29	CG-18-S316	infill	759.9	765.9	6.0	5.4	1.12	0.26	0.01	24.0	0.02

Section ID #	Drill hole ID	Type	From (m)	To (m)	Width (m)	True Width* (m)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
30	CG-18-S319	infill	788.5	791.7	3.2	3.0	3.13	0.34	0.01	52.0	0.06
	and		797.6	801.9	4.3	3.8	1.14	1.50	0.41	116.6	0.18
31	CG-18-S320	infill	704.7	708.0	3.3	3.1	3.57	1.30	0.02	61.2	0.03
32	CG-18-S321	infill	626.5	636.9	10.4	9.2	1.45	3.25	4.26	87.1	0.08
	and		776.3	790.8	14.5	12.9	2.11	0.23	0.01	37.8	0.01
33	CG-18-S322	infill	884.7	894.5	9.8	8.0	1.25	0.08	0.03	22.2	0.00
34	CG-18-S326	infill	753.1	760.4	7.3	7.1	7.89	0.84	0.30	128.2	0.03
35	CG-18-S328	infill	872.2	878.8	6.6	5.6	0.69	0.03	0.01	11.4	0.01
36	CG-18-S329	infill	no significant intercepts								
37	CG-18-S333	infill	865.6	869.8	4.2	3.8	1.76	0.07	0.01	24.9	0.01
38	CG-18-S338	infill	807.0	824.2	17.2	14.9	1.57	0.06	0.02	36.5	0.06
	including		817.7	824.2	6.5	5.7	2.77	0.10	0.02	45.7	0.02
	and		846.9	871.3	24.4	21.2	1.96	0.50	0.06	35.6	0.01
	including		859.9	866.1	6.2	5.4	5.52	1.20	0.18	96.2	0.01
39	CG-18-S358	infill	in progress								
40	CG-18-U461	infill	632.0	633.2	1.2	1.0	1.32	0.02	0.01	9.0	0.01
41	CG-18-U464	infill	641.5	647.3	5.8	5.6	4.15	0.67	0.01	71.9	0.06
42	CG-18-U465	infill	656.1	658.9	2.8	2.6	2.52	0.69	0.02	52.5	0.04
43	CG-18-U466	infill	557.2	566.3	9.1	8.0	1.81	0.11	0.00	42.1	0.09
44	CG-18-U467	infill	605.3	611.4	6.1	5.8	1.46	0.18	0.04	26.7	0.06
45	CG-18-U468	infill	577.4	587.6	10.2	9.7	3.83	0.72	0.03	65.3	0.04
46	CG-18-U469	infill	665.1	670.4	5.3	4.7	0.49	0.05	0.01	9.3	0.01
	including		669.0	669.9	0.9	0.8	1.55	0.08	0.01	22.0	0.02
47	CG-18-U470	infill	635.7	656.2	20.5	18.1	1.27	0.38	0.09	57.5	0.14
	including		641.4	656.2	14.8	13.1	1.43	0.51	0.12	73.7	0.18
48	CG-18-U471	infill	701.1	709.0	7.9	7.0	3.20	0.15	0.03	49.2	0.01
	and		718.0	721.3	3.3	2.9	3.69	0.30	0.06	66.4	0.01
49	CG-18-U473	infill	687.0	698.0	11.0	9.1	0.84	0.05	0.01	13.2	0.01
	including		695.0	696.0	1.0	0.8	3.38	0.13	0.02	46.0	0.02
50	CG-18-U475	infill	assays pending								
51	CG-18-U476	infill	assays pending								
52	CG-18-U478	infill	in progress								

*estimated true width of vein intercept for inclined drill holes

All samples were submitted for preparation by ALS at its facilities in Zacatecas, Mexico, followed by analysis at the ALS Laboratory in North Vancouver, Canada. The entire sample is crushed to a minimum of 70% passing -10 mesh. A 250g subsample of the crushed material is then pulverized to 85% passing -200 mesh. Copper, zinc, lead and silver are determined by ICP analysis after 4 acid digestion of a 0.4g subsample of pulverized material. Gold is determined by fire assay of a 30g sub-sample with AA finish. QAQC samples in each batch of 20 samples include a blank, a certified reference material and a duplicate (one of a field, coarse reject or pulp reject).

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 continuing success of mineral exploration, Capstone's ability to fund future exploration activities, the realization of mineral reserve estimates, the timing and amount of estimated future production and the success of mining operations. 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 "subject", "expected" and "intend". 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 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. 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 has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") and supervised and reviewed by Brad Mercer, P. Geol., Capstone's Senior Vice President, Exploration, a "Qualified Person" as defined in National Instrument 43-101 and the person who oversees exploration activities on the Cozamin Mine property. In addition, Gregg Bush, Capstone's Senior Vice President and Chief Operating Officer, reviewed and approved this news release.