

January 27, 2021

Capstone Cozamin Mine to Average Over 51 Mlbs Cu for 10 Years; Initiates “Impact23” Project for Further Growth

(All amounts in US\$ unless otherwise specified)

Vancouver, British Columbia – Capstone Mining Corp. (“Capstone” or the “Company”) (TSX:CS) announces an updated Technical Report for its Cozamin Mine in Zacatecas, Mexico and extends mine life to 2031. Mineral Reserves increased by 39% to 14.1 million tonnes grading 1.77% copper and 44 grams per tonne (g/t) silver and Measured and Indicated Mineral Resources increased by 10% to 29.7 million tonnes grading 1.52% copper and 44 g/t silver. The new reserve mine plan is projected to produce 512 million pounds of copper and 16.0 million ounces of silver over the next 10 years.

HIGHLIGHTS

- **Updated life of mine plan (“LOMP”) released.** Average annual copper production of 51.2 million pounds of copper and 1.6 million ounces of silver production over 10 years at average C1 costs, including the 50% silver stream, of \$1.02 per payable pound of copper. From 2021 to 2027, average annual production is 58.8 million pounds of copper and 1.7 million ounces of silver. Average projected C1 costs over this period are \$0.96 per payable pound of copper.
- **Ramp-up to 3,780 tonnes per day (“tpd”), or 1.38 million tonnes per annum (“tpa”), by the end of Q1 2021 is on track.** A new section of ramp to open the one-way traffic circuit to debottleneck the mine was completed in early December 2020, ahead of schedule.
- **Estimated Reserves increased by 39%** to 14.1 million tonnes, relative to April 30, 2020; contained copper and silver increased by 37% and 49%, respectively. Approximately half of this increase is due to recovery of high-grade pillars using paste backfill.
- **Tailings management transformation activities are progressing on schedule**, including feasibility level design and studies in support of permitting a filtered (dry stack) tailings storage facility. This conversion from a slurry tailings impoundment aligns with industry leading socio-environmental best practice for tailings management.
- **A pre-feasibility study (“PFS”) for an underground paste backfill system was completed in December 2020.** The study indicates a paste backfill system will allow ore extraction containing over 100 million pounds of copper and 3.1 million ounces of silver between 2023 and 2031, that would have otherwise been left as unmined pillars. The PFS design has a capital cost estimate ranging from \$41 million to \$45 million and an increase in operating costs of approximately \$7.50 per tonne of ore mined. Capstone management has approved the paste backfill project and work has commenced on procurement of long lead items.
- **Initiating “Impact23” Growth Project: exploration excellence, innovative mining techniques and enhanced pillar recovery** are areas identified to have growth potential for Cozamin. By 2023, the goal is to further extend mine life, increase environmental and safety standards, and improve operational efficiencies at Cozamin, utilizing mineral resources already discovered in addition to testing new targets.

Brad Mercer, Capstone’s SVP and Chief Operating Officer said, “The LOMP announced today maximizes extraction of the orebody’s high grade core by deferring stoping in this area until the paste backfill plant is in operation in 2023. Projected production averages nearly 60 million pounds of copper per year for seven years at first quartile costs. The Impact23 Growth Project that we are kickstarting today is aiming to demonstrate in a 2023 technical report how Cozamin can sustain these levels of performance well into the 2030s.”

Darren Pylot, Capstone’s President and CEO said, “After 14 years in operation, the best years of Cozamin are ahead. The mine is world-class with sustainable low costs and leading safety and environmental performance entrenched throughout the organization. The growth initiatives are supported by an entrepreneurial fabric at Capstone, as we embrace innovation and technology to create high impact value for our shareholders.”

MINERAL RESERVE ESTIMATE

Table 1 presents Cozamin’s Mineral Reserve estimate for all zones as of October 31, 2020, including the Mala Noche Footwall Zone (“MNFWZ”) and the Mala Noche Vein (“MNV”).

Table 1 – Mineral Reserve Estimate as of October 31, 2020

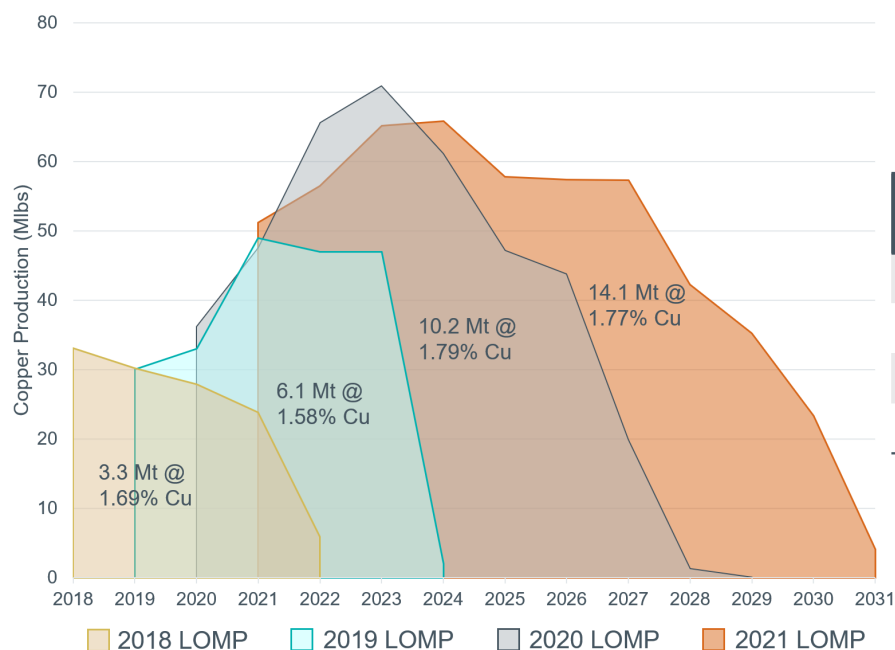
| Category | Tonnes (kt) | Copper (%) | Silver (g/t) | Zinc (%) | Lead (%) | Copper Metal (kt) | Silver Metal (koz) | Zinc Metal (kt) | Lead Metal (kt) |
|----------------------------|---------------|-------------|--------------|-------------|-------------|-------------------|--------------------|-----------------|-----------------|
| Proven | - | - | - | - | - | - | - | - | - |
| Probable | 14,127 | 1.77 | 44 | 0.54 | 0.21 | 250 | 20,179 | 77 | 29 |
| Proven + Probable | 14,127 | 1.77 | 44 | 0.54 | 0.21 | 250 | 20,179 | 77 | 29 |
| Compared to April 30, 2020 | +39% | -1% | +7% | +53% | +314% | +37% | +49% | +112% | +474% |

NOTES: Tucker Jensen, P.Eng., Superintendent Mine Operations at Capstone Mining Corp., is the Qualified Person for this Cozamin Mineral Reserve update. Disclosure of the Cozamin Mineral Reserves as of October 31, 2020 was completed using fully diluted mineable stope shapes generated by the Maptek Vulcan Mine Stope Optimizer software and estimated using the 2020 MNFWZ resource block model created by Garth Kirkham, P.Geo., FGC and the 2017 MNV resource block model created by J. Vincent, P.Geo., formerly of Capstone Mining Corp. Mineral Reserves are reported at or above a US\$48.04/t net smelter return (“NSR”) cut-off in conventionally backfilled zones for 2020-2022, a US\$51.12/t NSR cut-off in conventionally backfilled zones for 2023+, a US\$56.51/t NSR cut-off in paste backfilled zones of Vein 10, and a US\$56.12/t NSR cut-off in paste backfilled zones of Vein 20 using three formulae based on zone mineralization. Copper-silver dominant zones use the NSR formula: $(Cu \times 50.476 + Ag \times 0.406) \times (1 - NSRRoyalty\%)$. MNFWZ zinc-silver zones use the NSR formula: $(Ag \times 0.259 + Zn \times 15.081 + Pb \times 15.418) \times (1 - NSRRoyalty\%)$. MNV zinc-silver dominant zones use the NSR formula: $(Ag \times 0.203 + Zn \times 13.163 + Pb \times 13.233) \times (1 - NSRRoyalty\%)$. Metal price assumptions (in US\$) of Cu = \$2.75/lb, Ag = \$17.00/oz, Pb = \$0.90/lb, Zn = \$1.00/lb and metal recoveries of 96% Cu, 84% Ag, 0% Pb and 0% Zn in copper-silver dominant zones, 0% Cu, 60% Ag, 92% Pb and 86% Zn in MNFWZ zinc-silver dominant zones, and 0% Cu, 53% Ag, 79% Pb and 75% Zn in MNV zinc-silver dominant zones. Mineral reserve calculations consider mining by long-hole stoping and mineral processing by flotation. Tonnage and grade estimates include dilution and mining losses. The NSR royalty rate applied varies between 1% and 3% depending on the mining concession, and royalties are treated as costs in mineral reserve estimation. An exchange rate of MX\$20 per US\$1 is assumed. All metals are reported as contained. Figures may not sum exactly due to rounding.

LIFE OF MINE PLAN AS OF OCTOBER 31, 2020

Cozamin’s LOMP has been updated based on the Mineral Reserves presented in Table 1. Compared to previous mine plans since 2018, the 2021 LOMP as shown in Figure 1 shows a longer mine life of 10 years with higher average production and a grade at 1.77%, similar to the 1.79% grade in the 2020 mine plan. This LOMP includes throughput rates of approximately 1.38 million tonnes per annum from 2021 through 2029, followed by declining rates through 2031, before potential additions from Impact23. See Table 2 for a detailed year-by-year mine plan. In its highest grade years, projected copper and silver production from 2021 through 2027 average 58.8 million pounds and 1.70 million ounces, respectively, representing increases of 61% and 53%, respectively, relative to estimated 2020 production as presented in the Cozamin Technical Report dated October 23, 2020.

Figure 1 – 10+ Year Mine Life, Higher Mining Rates at 1.77% Copper



| Mine Plan Update | LOMP | Expected Copper Production | Reserves Million Tonnes ¹ | % Cu Grade |
|------------------|-----------|----------------------------|--------------------------------------|------------|
| 2021 | 2021-2031 | 516 Mlbs | 14.1 | 1.77 |
| 2020 | 2020-2029 | 394 Mlbs | 10.2 | 1.79 |
| 2019 | 2018-2024 | 208 Mlbs | 6.1 | 1.58 |
| 2018 | 2018-2023 | 121 Mlbs | 3.3 | 1.69 |

1) 2021 plan based on Reserves in Technical Report announced January 27, 2021; 2020 plan based on Reserves in Technical Report dated October 23, 2020; and 2019 and 2018 mine plans based on December 31, 2018 and 2017 Reserves in published Annual Information Forms.

Table 2 – Updated Life of Mine Plan 2021 to 2031

| LOMP – 2021 to 2031 ¹ | 2020E ² | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E |
|---|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Cu Production (M lbs) | 36.5 | 51.2 | 56.5 | 65.2 | 65.9 | 57.8 | 57.4 | 57.3 | 42.2 | 35.2 | 23.3 | 4.1 |
| Ag Production (M troy ozs) | 1.125 | 1.52 | 1.65 | 1.76 | 1.84 | 1.72 | 1.75 | 1.67 | 1.48 | 1.38 | 1.20 | 0.34 |
| Pb Production (M lbs) | 0.9 | 0.1 | 0.0 | 0.0 | 0.6 | 6.1 | 5.6 | 4.2 | 6.7 | 10.9 | 9.8 | 5.9 |
| Zn Production (M lbs) | 11.8 | 0.71 | 0.0 | 0.0 | 1.1 | 9.8 | 7.7 | 6.6 | 12.0 | 16.7 | 20.1 | 8.4 |
| Tonnes milled (M tonnes) | 1.07 | 1.36 | 1.38 | 1.38 | 1.38 | 1.38 | 1.38 | 1.38 | 1.38 | 1.38 | 1.23 | 0.31 |
| Cu Grade (%) | 1.62 | 1.79 | 1.94 | 2.22 | 2.25 | 1.99 | 1.97 | 1.97 | 1.46 | 1.26 | 0.97 | 0.68 |
| Cu Recovery (%) | 95.6 | 95.6 | 96.0 | 96.2 | 96.2 | 95.5 | 95.7 | 95.7 | 94.6 | 91.5 | 88.9 | 87.3 |
| Ag Grade (g/t) | 41.4 | 41.8 | 43.8 | 45.8 | 48.1 | 46.2 | 46.8 | 44.6 | 41.3 | 40.7 | 43.5 | 51.6 |
| Ag Recovery (%) | 79.1 | 83.8 | 85.0 | 86.3 | 86.3 | 83.8 | 84.4 | 84.6 | 80.4 | 76.5 | 69.9 | 67.0 |
| Mining Cost (\$/t milled) | 26.40 | 22.90 | 24.70 | 29.01 | 28.25 | 28.42 | 28.11 | 27.26 | 28.15 | 27.23 | 26.30 | 22.90 |
| Milling Cost (\$/t milled) | 9.82 | 10.14 | 9.24 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 11.73 | 12.66 | 12.64 | 12.64 |
| G&A Cost (\$/t milled) | 7.10 | 6.54 | 6.84 | 6.86 | 6.86 | 6.88 | 6.88 | 6.88 | 6.86 | 6.87 | 7.63 | 6.54 |
| C1 Cost³ (\$/lb payable Cu) | 0.96 | 0.96 | 0.95 | 1.03 | 0.96 | 0.88 | 0.95 | 0.98 | 1.20 | 1.27 | 1.50 | 0.57 |
| Sustaining CAPEX (M\$) | 21.9 | 24.5 | 22.3 | 17.1 | 15.9 | 18.2 | 9.9 | 9.3 | 9.5 | 1.7 | 1.4 | 0.3 |
| Expansion CAPEX (M\$) | - | 13.0 | 32.1 | 1.0 | - | - | - | - | - | - | - | - |

NOTES:

1. Cozamin's LOMP has been updated based on the Mineral Reserves as of October 31, 2020. Operating and capital costs assume an exchange rate of MXN\$20 per USD\$1.
2. 2020E figures are for 12 months and are a combination of actual results and estimates, as reported in the October 23, 2020 Technical Report, and may not accurately represent actual 2020 figures.
3. C1 Costs assume by-product pricing of Ag = \$25.00/oz from 2021 to 2025 and \$22.00/oz thereafter, Pb = \$0.90/lb and Zn = \$1.10/lb from 2021 to 2025 and \$1.00/lb thereafter. C1 Costs are net of by-products and includes the 50% silver stream, which provides 10% of silver price to Capstone for 50% of silver produced, and is an alternative performance measure. Please see "Alternative Performance Measures" at the end of this release.

UNDERGROUND PASTE BACKFILL

As part of the technical study described in the Technical Report, Cozamin recently completed a PFS to assess the use of underground paste backfill to decrease the number of pillars needed for geotechnical stability, thereby increasing the mineral extraction ratio. The Mineral Reserve estimate presented in Table 1 includes recovery of approximately 2.2 million tonnes grading 2.09% copper and 44.3 g/t silver that would have been left as unmined pillars without the use of paste backfill.

The proposed paste backfill system includes a tailings filter plant, a paste mixing plant, twin boreholes to deliver paste underground and an underground distribution system (“UDS”). The filter plant, paste plant and conveyor to transport filtered tailings to the tailings storage facility (“TSF”), in relation to the mill and other nearby surface infrastructure, are shown in Figure 2. The system is expected to be commissioned starting in Q4 2022, with ramp-up completed in Q1 2023. PFS design of these facilities was completed by Paterson & Cooke in December 2020, and a Feasibility Study (“FS”) is underway with completion expected in April 2021. Mine planning was completed by Cozamin, with design support provided by a geotechnical consultant, and paste backfill operational guidance provided by AMC Consultants. Preparation of documents to support permit applications for the paste backfill system is underway.

Based on the PFS, capital cost for the tailings filtration and paste backfill system is estimated to range from \$40.8 million to \$45.0 million, depending on the filtration technology selected, including 25% contingency. The tailings filter plant is required for the conversion to filtered tailings storage, but a portion of the combined capital cost estimate, approximately \$17 million, is required for paste production, transport and deposition underground. Average operating costs for tailings filtration and the production, transport and deposition of paste are estimated at approximately \$7.50 per tonne of ore mined, partially offset by lower mine development costs.

Figure 2 – Future Location of Tailings Filtration and Paste Plant



TAILINGS MANAGEMENT

Cozamin intends to convert from the current slurry tailings facility that has been safely operated for over 15 years to a filtered (dry stack) tailings facility. Feasibility-level design of the filtered tailings facility is expected to be completed in Q1 2021, and preparations are being made to submit the required permit applications. It is expected that this conversion to filtered tailings will significantly decrease the mine's socio-environmental, geotechnical and water supply risks, while decreasing water consumption and make-up water costs. The planned paste backfill system will use tailings for paste production, greatly decreasing the volume of tailings requiring an above ground storage impoundment.

OPPORTUNITIES – IMPACT23 GROWTH PROJECT

Capstone is advancing several initiatives with potential to further extend mine life, increase environmental and safety standards, and improve operational efficiencies at Cozamin. The following opportunities are not included in this updated LOMP and do not impact the Mineral Reserve estimate as of October 31, 2020. Capstone's goal with this project is to target a positive NAV impact, to be underpinned by an updated technical report in 2023, through exploration on drill targets open on each end of the deposit, selective mining techniques to decrease dilution and lower mining costs, and enhanced pillar recovery to leverage the benefits of the planned paste backfill plant.

Exploration Excellence Remains Top Priority

Exploration expansion potential at the MNFWZ remains open in both the West and the East. The 2021 exploration budget of \$5 million for 40,000 meters of surface drilling will primarily target expansion drilling in the newly recognized West target area, see Figures 3 and 4. Additional infill drilling to upgrade resources in the down-dip southeast area of Vein 20, and initial testing of new brownfield targets on adjacent vein systems, many with historical production, all within the Cozamin claim block will also be completed.

The MNFWZ West target is an extension of Vein 20 recently identified by an extensive review of historical drilling data and confirmed by initial drill testing of the concept in 2020. The West target is supported by a reinterpretation of the geology in this area and has easy access from both the MNV and MNFWZ infrastructure. Development capacity in 2021 is limited to driving one non-production drift and therefore the East exploration drift has been delayed to 2022. Development of the new West exploration crosscuts will commence in Q1 2021, in tandem with the surface drilling program, with an estimated cost of \$1.8 million additional to the drilling program. Once completed, future drilling will shift to underground starting in 2022.

Figure 3 – MNFWZ 2021 Drilling Program

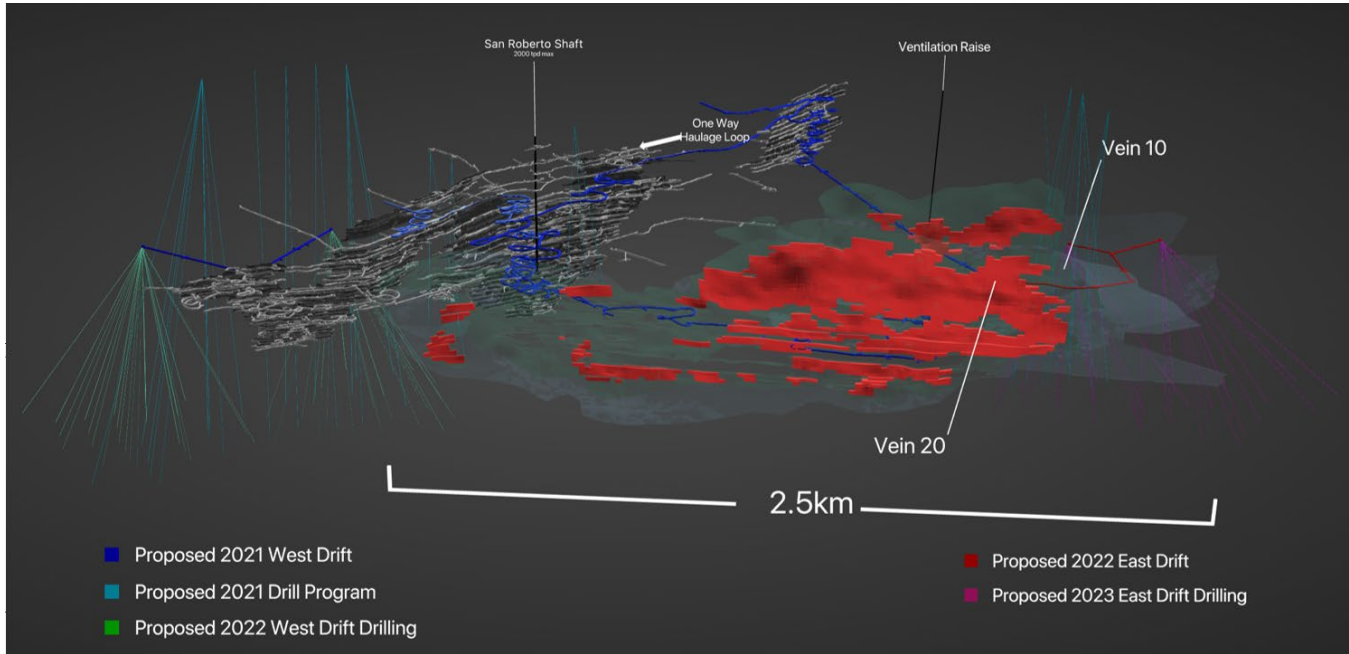
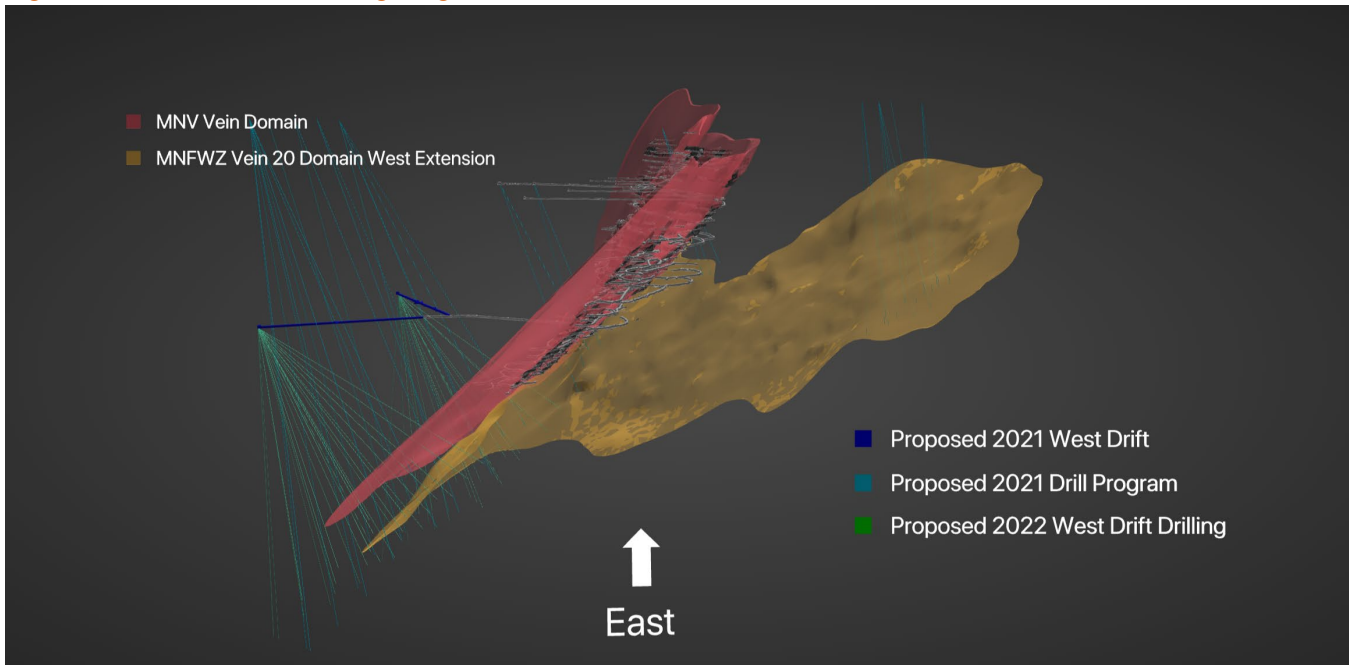


Figure 4 – MNFWZ West Drilling Targets



A detailed Company exploration update including Cozamin and other greenfield targets is scheduled for release in March 2021.

Innovative Mining Techniques for Resource to Reserve Conversion

A study will be initiated in 2021 to assess alternative mining techniques with the objective of lowering costs and dilution to convert resources to reserves from the Indicated Resource shown in Table 3. The current mining methods are Longitudinal Longhole Open Stopping and AVOCA and possible alternatives that will be studied include Cut-and-Fill, Drift-and-Fill and Longhole Open Stopping with ore sorting technology.

Table 3 – Mineral Resources Exclusive of Mineral Reserves and Pillars as of October 31, 2020, Potential Resource to Reserve Conversion Targeted

| MNFWZ Indicated (l) | Tonnes (kt) | Copper (%) | Silver (g/t) | Zinc (%) | Lead (%) | Copper Metal (kt) | Silver Metal (koz) | Zinc Metal (kt) | Lead Metal (kt) |
|-------------------------------|-------------|------------|--------------|----------|----------|-------------------|--------------------|-----------------|-----------------|
| Copper-Silver Zones | 9,472 | 1.56 | 35 | 0.51 | 0.05 | 148 | 10,796 | 48 | 4 |
| Zinc-Lead-Silver Zones | 4,138 | 0.38 | 28 | 2.22 | 0.98 | 16 | 3,786 | 92 | 41 |

NOTES: Please refer to Table 4 for full details of the Mineral Resource estimate.

Enhanced Pillar Recovery

A study aimed at enhancing pillar recoveries will commence shortly with short-term and long-term opportunities identified. With the paste backfill plant expected in operation by 2023, pillars in the MNFWZ and throughout historic mining areas at Cozamin are an opportunity for recovery. The following are the main studies within the Enhanced Pillar Recovery Project:

- **Cemented Rockfill (CRF).** Cozamin is assessing the opportunity to rapidly implement a CRF system to allow the safe and economic recovery of additional pillars. This includes areas mined prior to the planned start of paste backfilling in Q1 2023, and/or where it is not economic to deliver paste. Preliminary results indicate that CRF could be implemented with low capital cost well in advance of Q1 2023, and additional study is underway.
- **Used Filtration Equipment.** The updated LOMP assumes the start of paste backfilling in Q1 2023 in part because of long lead times for the procurement of tailings filters. Cozamin is assessing a package of used tailings filters that could potentially allow more rapid filter plant construction and paste backfilling starting significantly earlier than Q1 2023.
- **Paste Backfill System Optimization.** The paste backfill PFS makes a number of conservative estimates for equipment and materials costs, geotechnical stability and other factors. The FS currently underway includes additional laboratory testing and more detailed system design. It is expected that this FS may identify opportunities for capital and operating cost savings, and for increased pillar recovery through optimization of the mine plan.
- **Historic Pillar Recovery.** Cozamin has left unmined pillars needed for geotechnical stability throughout its mine life, and will continue to do so until paste backfill is available. Typically, conventional backfilled areas have been designed to leave approximately 26% of the total mineralization behind in pillars. Cozamin intends to assess the potential to return to previously mined areas to safely use paste backfill to economically recover pillars left prior to the start of paste backfilling.

Stope Dilution

Stope dilution in the deeper areas of the northwest end of the MNFWZ have been high compared to other longhole open stope mines, driven by narrow veins and local geotechnical conditions. As mining progresses away from this area, an initiative is underway to reduce dilution site-wide through improved engineering, planning, long-hole drill control and optimized explosives design guided by a team of consultants and site experts.

Truckless Headings

An initiative is underway to redesign the upper areas of Cozamin Reserves to ore pass use, increasing safety and efficiency, while increasing air quality, thereby decreasing ventilation requirements in these areas.

MINERAL RESOURCE ESTIMATE

Table 4 presents the Mineral Resource estimate for all zones as of October 31, 2020. Mineral Resource estimates do not account for mining loss and dilution.

Estimated Measured and Indicated Resources have increased by 10% relative to April 30, 2020, with 29.7 million tonnes grading 1.52% copper, 44 g/t silver, 1.10% zinc and 0.32% lead. This change is the result of step-out drilling and infill drilling at MNFWZ that upgraded 1.5 million tonnes of Inferred Resource to Indicated classification, and updated net smelter return (“NSR”) formulae adopted for the cut-off applied, that includes predicted long-term metals prices in line with current industry norms, updated recovery curves, royalties and other operational considerations for MNFWZ and MNV.

Table 4 – Mineral Resource Estimate as of October 31, 2020 at a US\$50/t NSR Cut-Off

| Classification | Tonnes (kt) | Copper (%) | Silver (g/t) | Zinc (%) | Lead (%) | Copper Metal (kt) | Silver Metal (koz) | Zinc Metal (kt) | Lead Metal (kt) |
|--------------------|---------------|-------------|--------------|-------------|-------------|-------------------|--------------------|-----------------|-----------------|
| Measured (M) | 407 | 1.24 | 53 | 1.23 | 0.40 | 5 | 698 | 5 | 2 |
| Indicated (I) | 29,265 | 1.53 | 43 | 1.10 | 0.32 | 446 | 40,799 | 322 | 94 |
| Total M + I | 29,672 | 1.52 | 44 | 1.10 | 0.32 | 451 | 41,497 | 327 | 95 |
| Inferred | 13,869 | 0.54 | 39 | 2.23 | 0.74 | 75 | 17,383 | 309 | 103 |

NOTES: Mineral Resources are classified according to CIM (2014) definitions, estimated following CIM (2019) guidelines and have an effective date of October 31, 2020. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Independent Qualified Person for the estimates is Mr. Garth D. Kirkham, P.Geol., FGC., of Kirkham Geosystems Ltd. Mineral Resources are reported using four formulae for NSR based on mineralization. Copper-silver dominant zones use the NSR formula: $(Cu \times 60.779 + Ag \times 0.485) \times (1 - NSR \text{Royalty} \%)$. Copper-zinc zones use the NSR formula: $(Cu \times 58.430 + Ag \times 0.416 + Zn \times 15.368 + Pb \times 7.837) \times (1 - NSR \text{Royalty} \%)$. MNFWZ zinc-silver dominant zones use the NSR formula: $(Ag \times 0.304 + Zn \times 18.323 + Pb \times 17.339) \times (1 - NSR \text{Royalty} \%)$. MNV zinc-silver dominant zones use the NSR formula: $(Ag \times 0.256 + Zn \times 16.401 + Pb \times 14.977) \times (1 - NSR \text{Royalty} \%)$. Metal price assumptions (in US\$) used to calculate the NSR for all deposits are: Cu = \$3.25/lb, Ag = \$20.00/oz, Zn = \$1.20/lb and Pb = \$1.00/lb. Recoveries used in the four NSR formulae are based on mineralization. Copper-silver dominant zones use the following recoveries: 96% Cu and 85% Ag. Copper-zinc zones use the following recoveries: 92% Cu, 79% Ag, 72% Zn and 42% Pb. MNFWZ zinc-silver dominant zones use the following recoveries: 60% Ag, 86% Zn and 92% Pb. MNV zinc-silver dominant zones use the following recoveries: 55% Ag, 77% Zn and 80% Pb. The NSR formulae include confidential current smelter contract terms, transportation costs and royalty agreements from 1 to 3%, as applicable. An exchange rate of MX\$20 per US\$1 is assumed. Totals may not sum exactly due to rounding. The NSR cut-off of US\$50/tonne is based on historical mining and milling costs plus general and administrative costs. The Mineral Resource Estimate encompasses both the MNFWZ and the MNV. Drilling campaigns from 2018 have focused on the MNFWZ and no drilling has been performed on the MNV since 2017. The Mineral Resource considers underground mining by longhole stoping and mineral processing by flotation. No dilution is incorporated in the Mineral Resource. All metals are reported as contained. Mineral Resource estimates do not account for mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources considered too speculative geologically to apply economic considerations for categorization as Mineral Reserves. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Resources.

NATIONAL INSTRUMENT 43-101

A National Instrument 43-101 ("NI 43-101") Technical Report will be prepared to summarize the Mineral Resource and Mineral Reserve estimates by the Qualified Persons and will be filed on SEDAR within 45 days of this news release.

Readers are cautioned that the conclusions, projections and estimates set out in this news release are subject to important qualifications, assumptions and exclusions, all of which will be detailed in the 2021 Technical Report. To fully understand the summary information set out above, the 2021 Technical Report that will be filed on SEDAR at www.sedar.com should be read in its entirety.

QUALIFIED PERSONS

The following Qualified Persons, as defined by NI 43-101, are independent from Capstone (except as noted below) and have reviewed and approved the content of this news release that is based on content from their respective portions of the 2021 Technical Report:

- Gregg Bush, P.Eng. (Non-independent)
- Leslie Correia, Pr.Eng., Paterson & Cooke Canada Inc.
- Jenna Hardy, P.Geo., FGC, Nimbus Management Ltd.
- Tucker Jensen, P.Eng., Capstone Mining Corp. (Non-independent)
- Garth Kirkham, P.Geo., FGC, Kirkham Geosystems Ltd.
- Chris Martin, CEng MIMMM, Blue Coast Metallurgy Ltd.
- Vivienne McLennan, P.Geo., Capstone Mining Corp. (Non-independent)
- Josh Moncrieff, P.Geo., Capstone Mining Corp. (Non-independent)
- Humberto Preciado, PhD, P.E., Wood Environment & Infrastructure Solutions, Inc.

MINERAL RESOURCE ESTIMATE METHODOLOGY

The Mineral Resource estimate reported herein was prepared by Garth Kirkham of Kirkham Geosystems Ltd. of Burnaby, BC, Canada, an Independent Qualified Person under Canadian Securities Administrators' National Instrument 43-101. The Mineral Resources presented herein have been estimated in conformity with generally accepted CIM best practice guidelines and are reported in accordance with NI 43-101. The estimate was completed using MineSight™ software using a three-dimensional block model (12 metre by 5 metre by 10 metre block size with 4 metre by 0.5 metre by 2 metre sub-blocks). The MNFWZ model is comprised of eight interpreted three-dimensional wireframes which were the primary estimation domains and hard boundaries were used to constrain the interpolation of grades into the block model. Interpolation parameters have been derived based on geostatistical analysis conducted on 1 metre composited drill holes. Block grades have been estimated using Ordinary Kriging (OK) methodology and the mineral resources have been classified based on proximity to sample data and the continuity of mineralization in accordance with the categories in CIM Definition Standards (May 10, 2014) along with CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 29, 2019). The MNFWZ resource has been estimated using a total of 1,128 diamond drill holes with 4,371 sample composites.

ABOUT CAPSTONE MINING CORP.

Capstone Mining Corp. is a Canadian base metals mining company, focused on copper. Our two producing mines are the Pinto Valley copper mine located in Arizona, US and the Cozamin copper-silver mine in Zacatecas State, Mexico. In addition, Capstone owns 70% of Santo Domingo, a large scale, fully-permitted, copper-iron-gold 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. We are committed to the responsible development of our assets and the environments in which we operate. 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 news release, and the documents incorporated by reference herein, contains "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 Mining Corp. ("Capstone" or

the “Company”) 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 estimation of mineral resources and mineral reserves, the expected success of the underground paste backfill system study, 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, the estimations for potential quantities and grade of inferred resources and exploration targets, 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”, “aiming”, “approximately”, “guidance”, “scheduled”, “target”, “estimates”, “forecasts”, “extends”, “convert”, “potential”, “intends”, “anticipates”, “believes” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “should”, “would”, “will”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. 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 and closure of mining projects, the inherent uncertainty of mineral exploration and estimations of exploration targets, potential delays in exploration due to COVID-19 or governmental action, increase to operating costs directly or indirectly related to due to COVID-19 including but not limited to supply chain issues, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital or fund explorations, Capstone’s ability to acquire properties for growth, counterparty risks associated with sales of our metals, 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 operations, title or royalty claims and rights to mineral tenure, increased taxes on mining activities, interruption of production due indirectly or directly to criminal activity land reclamation and mine closure obligations, uncertainties and risks related to the potential development of the Cozamin project, 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 MD&A 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.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this News Release because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, and to plan and assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within International Financial Reporting Standings (“IFRS”) and, therefore, amounts presented may not be

comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

C1 Cash Costs Per Payable Pound of Copper Produced

C1 cash costs per payable pound of copper produced is a key performance measure that management uses to monitor performance. Management uses this measure to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations.

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 definitions and best practices referenced in NI 43-101 and reviewed and approved by Brad Mercer, P. Geol., Capstone's Senior Vice President and Chief Operating Officer, a Qualified Person and the person who oversees exploration activities on the Cozamin Mine property.