

April 24, 2019

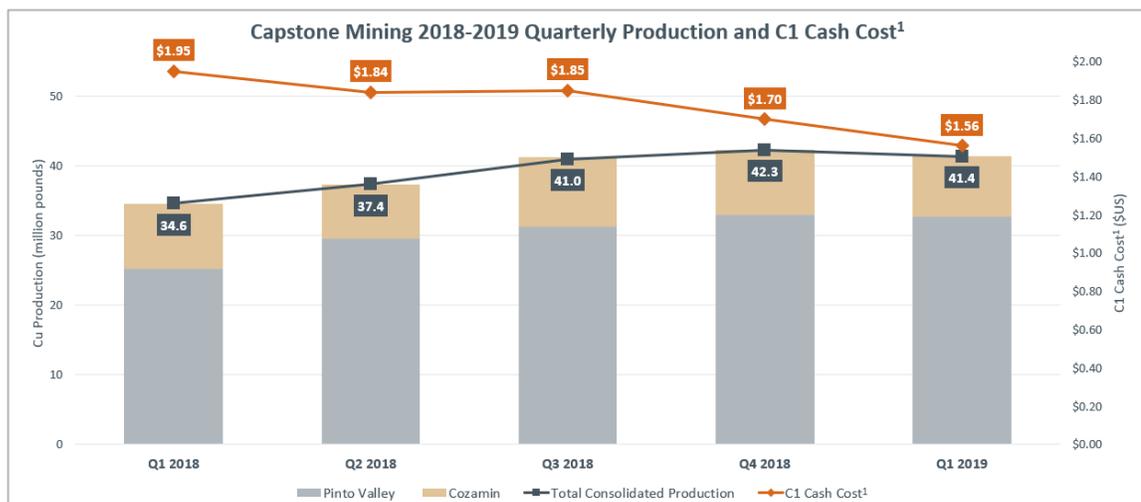
## Capstone Mining Announces Strong First Quarter 2019 Results

(All amounts in US\$ unless otherwise specified)

**Vancouver, British Columbia** - Capstone Mining Corp. (“Capstone” or the “Company”) (TSX:CS) announced its production and financial results for the three months ended March 31, 2019. Total production from continuing operations for Q1 2019 totaled 41.4 million pounds of copper at a consolidated C1 cash cost<sup>1</sup> of \$1.56 per pound, representing a 20% increase in production and 20% reduction in costs versus the same period last year. Q1 2019 net income was \$8.3 million, adjusted EBITDA from continuing operations<sup>1</sup> was \$41.8 million and operating cash flow before changes in working capital<sup>1</sup> was \$30.7 million.

### Q1 2019 HIGHLIGHTS

- **20% increase in Q1 2019 copper production to 41.4 million pounds compared to Q1 2018. 20% reduction in C1 cash cost<sup>1</sup> to \$1.56/lb compared with \$1.95/lb in Q1 2018.**



- **Fourth consecutive quarter of improved operating results** with a focus on cost reduction, driving down costs to the lowest quarterly C1 cash cost<sup>1</sup> since 2016.
- **Adjusted EBITDA from continuing operations<sup>1</sup> increased 39% to \$41.8 million** (Q1 2018 \$30.0 million). The increase in EBITDA was driven primarily by improved profitability at Pinto Valley due to the focus on lowering operating costs and due to lower general and administrative costs as a result of the corporate restructuring to a decentralized model in Q4 2018.
- **Operating cash flow before changes in working capital<sup>1</sup> increased 25% to \$30.7 million.** Operating cash flow could have been higher had copper sales from continuing operations of 35.3 million pounds equalled copper production from continuing operations of 41.4 million pounds.

“We finished 2018 strong and we started 2019 even stronger,” said Darren Pylot, President and CEO of Capstone. “Our operations continue to run in a steady state from which we can further optimize with the long-term goal of decreasing costs and increasing production at both of our mines.”

Mr. Pylot continued, “As previously announced we expect lower grades in Q2 at Pinto Valley, however, we want to reiterate our operations are running as per our annual plan and we expect to continue to execute operationally over the course of the year.”

<sup>1</sup> This is an alternative performance measure; please see "Alternative Performance Measures" at the end of this release.

## PRODUCTION RESULTS

Detailed operating results, including by-products of zinc, can be found towards the end of this news release.

	Q1 2019	Q1 2018
<b>Copper Production (million pounds)</b>		
Pinto Valley	32.7	25.2
Cozamin	8.7	9.4
<b>Total from continuing operations</b>	<b>41.4</b>	<b>34.6</b>
<b>Total copper sales from continuing operations (million pounds)</b>	<b>35.3</b>	<b>35.2</b>
<b>C1 Cash Cost<sup>1</sup> (\$/lb) Produced</b>		
Pinto Valley	1.79	2.41
Cozamin	0.70	0.71
<b>Consolidated from continuing operations</b>	<b>1.56</b>	<b>1.95</b>

Q1 2019 saw a 20% increase in consolidated production and 20% reduction in consolidated C1 cash cost<sup>1</sup> compared to Q1 2018.

### Pinto Valley Mine:

Production was 30% higher and C1 cash cost<sup>1</sup> was 26% lower (Q1 2019 vs. Q1 2018).

Pinto Valley improved reliability in the crushing and milling circuits averaging 54,800 tonnes per day ("tpd") as well as improved cost control (with absolute cash production costs decreasing 7% in Q1 2019 vs. Q1 2018), resulting in steady state production performance and improved C1 cash cost<sup>1</sup>.

### Cozamin Mine:

Production continued to benefit from additional tonnes mined from the San Rafael zinc zone, which ramped up to planned levels in Q3 2018, utilizing some of the unused mill capacity. As a result, throughput increased by approximately 700 tpd (3,038 tpd vs. 2,366 tpd) and zinc production increased 215% (5.5 million pounds vs. 1.8 million pounds) compared to Q1 2018.

C1 cash cost<sup>1</sup> in Q1 2019 remained consistent due to the increased by-product revenue, primarily related to zinc, being offset by higher operating costs. Operating costs were impacted by increased power, haulage and development costs. Operating development meters increased related to mining the San Rafael zone and the new reserve areas.

Development work commenced during Q1 2019 in relation to the one-way development ramp to eliminate the production bottleneck and fill the mill to nameplate capacity. This is expected to result in an approximate 30% increase in expected throughput, to approximately 3,800 tonnes per day by the end of 2020, increasing annual production from current levels of between 30 to 35 million pounds to between 40 to 45 million pounds of copper.

<sup>1</sup> This is an alternative performance measure; please see "Alternative Performance Measures" at the end of this release.

## Q1 2019 FINANCIAL OVERVIEW

Please refer to the Company's [Q1 2019 Financial Statements and Management's Discussion and Analysis \("MD&A"\)](#) for a full review of its financial results.

	Q1 2019	Q1 2018 <sup>3</sup>
<b>Revenue from continuing operations<sup>2</sup></b> (\$ millions)	<b>108.9</b>	<b>103.7</b>
<b>Net income from continuing operations</b> (\$ millions)	<b>12.0</b>	<b>10.3</b>
<b>Net income</b> (\$ millions)	<b>8.3</b>	<b>6.7</b>
<b>Adjusted EBITDA<sup>1</sup> from continuing operations</b> (\$ millions)	<b>41.8</b>	<b>30.0</b>
<b>Cash flow from operating activities<sup>2</sup></b> (\$ millions)	<b>28.7</b>	<b>32.8</b>
<b>Operating cash flow before changes in working capital<sup>1,2</sup></b> (\$ millions)	<b>30.7</b>	<b>24.6</b>
<b>Long term debt (excluding financing fees)</b> (\$ millions)	<b>219.9</b>	<b>274.9</b>
<b>Net debt<sup>1</sup></b> (\$ millions)	<b>147.0</b>	<b>160.1</b>

Q1 2019 Financial Overview Notes:

<sup>2</sup> In accordance with IFRS 5, Minto's results are excluded from revenue but included within cash flow amounts in both the current and comparative period.

<sup>3</sup> Effective January 1, 2019, the Company has adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective method which applies the standard prospectively, and as such, figures above related to 2018 have not been restated to conform to IFRS 16. Refer to the Accounting Changes section of the MD&A for the three months ended March 31, 2019 for more information.

## Q1 2019 OPERATING DETAILS

Please refer to the Company's [Q1 2019 Financial Statements and MD&A](#) for a full review of its operating results.

	Pinto Valley	Cozamin
<b>Production<sup>2</sup></b>		
- Copper (contained metal and cathode) (000s pounds)	32,699	8,672
- Zinc (000s pounds)	-	5,525
<b>Mining</b>		
- Waste (000s tonnes)	7,876	-
- Ore (000s tonnes)	4,999	271
<b>Milling</b>		
- Tonnes processed (000s tonnes)	4,933	273
- Tonnes per day	54,811	3,038
- Copper grade (%) <sup>3</sup>	0.35	1.53
<b>Recoveries<sup>3</sup></b>		
- Copper (%)	84.3	94.2
- Zinc (%)	-	69.3
<b>Concentrate Production</b>		
- Copper (dmt)	54,146	15,163
- Copper (%)	25.7	25.9
- Zinc (dmt)	-	5,383
- Zinc (%)	-	46.6
<b>Site Operation Costs<sup>1,4</sup></b> (\$/t milled)	<b>\$8.82</b>	<b>\$47.64</b>
<b>Payable copper produced</b> (000s pounds)	<b>31,584</b>	<b>8,321</b>
<b>Copper C1 cash cost<sup>1</sup></b> (\$/lb payable copper produced)	<b>\$1.79</b>	<b>\$0.70</b>
<b>Adjusted EBITDA<sup>1</sup></b> (\$ millions)	<b>\$25.3</b>	<b>\$15.3</b>

<sup>1</sup> This is an alternative performance measure; please see "Alternative Performance Measures<sup>1</sup>" at the end of this release.



Q1 2019 Operating Details Notes:

2. Adjustments based on final settlements will be made in future periods.
3. Grade and recoveries were estimated based on concentrate production and may be impacted by settlements from prior production periods.
4. Site operating costs is cash production costs of metal produced (excluding cathode production costs for Pinto Valley)<sup>1</sup>

### OUTLOOK - 2019 PRODUCTION, COST AND CAPITAL GUIDANCE

Capstone's 2019 consolidated production guidance from continuing operations of between 145 million and 160 million pounds of copper produced at a C1 cash cost<sup>1</sup> of between \$1.80 and \$2.00 per pound payable copper produced, remains unchanged.

Pinto Valley quarterly copper production will fluctuate throughout the year given anticipated grade variability. The average copper grade in 2019 is expected to be approximately 0.32%, with grades at 0.28% during Q2.

Consolidated capital expenditure guidance of \$89.5 million and total exploration guidance of \$12.0 million also remains unchanged.

### CONFERENCE CALL AND WEBCAST DETAILS

Capstone will hold a conference call on Thursday, April 25, 2019 at 11:30 a.m. Eastern time (8:30 a.m. Pacific time) to discuss these results. This release is not suitable on a standalone basis for readers unfamiliar with Capstone and should be read in conjunction with the Company's Financial Statements and MD&A for the quarter ended March 31, 2019, which are available on Capstone's [website](#) and on SEDAR, all of which have been reviewed and approved by Capstone's Board of Directors. An updated corporate presentation will also be available at <https://capstonemining.com/investors/events-and-presentations/default.aspx>.

Date: Thursday, April 25, 2019  
Time: 11:30 am Eastern Time (8:30 am Pacific Time)  
Dial in: North America: 1-888-390-0546, International: +416-764-8688  
Webcast: <https://event.on24.com/wcc/r/1956178/343D6AA390A9765A5423F329A4121095>  
Replay: North America: 1-888-390-0541, International: +416-764-8677  
Passcode: 147100#

The conference call replay will be available until May 2, 2019. Following the replay, an audio file will be available on Capstone's website at <https://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 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).

#### For further information please contact:

Paul Jones, VP, Business Development and Investor Relations  
604-674-0891  
[pjones@capstonemining.com](mailto:pjones@capstonemining.com)

<sup>1</sup> This is an alternative performance measure; please see "Alternative Performance Measures" at the end of this release.

## 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 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 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”, “expected” and “expects”. 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, 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 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, 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](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.

## 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](http://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

<sup>1</sup> This is an alternative performance measure; please see “Alternative Performance Measures<sup>1</sup>” at the end of this release.



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 disclosure of Technical Information and information related to mineral exploration activities contained in this news release have been reviewed and approved by Brad Mercer, P. Geol., Senior Vice President, Operation and Exploration, a Qualified Person 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 Management's Discussion and Analysis for the three months ended March 31, 2019 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.

<sup>1</sup> This is an alternative performance measure; please see "Alternative Performance Measures" at the end of this release.