

First quarter production of 23,700 tonnes of copper

VANCOUVER, April 13, 2015 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) today announced operating results for the three months ending March 31, 2015. Combined copper production totalled 23,700 tonnes, with additional by-products of zinc, molybdenum, lead, silver and gold.

#### Q1 2015 Production (tonnes)

##### Pinto Valley

Copper in concentrates and cathode 15,800

##### Cozamin

Copper in concentrates 3,800

##### Minto

Copper in concentrates 4,100

Total copper production 23,700

"Our copper production for the quarter came in right on target," said Darren Pylot, President and CEO of Capstone. "Pinto Valley met guidance, with better than predicted grades and flexibility in the mine plan allowing us to adjust the mine plan as necessary while we are continuing with the improvement of our mill maintenance systems. Outperformance at Minto more than made up for the shortfall at Cozamin, which is being addressed through ongoing improvements to mine development practices."

#### Operational Highlights

- Combined payable copper shipments from all mines totalled 20,082 tonnes.
- At Pinto Valley, mill throughput was lower than planned and is being addressed through a number of mill initiatives. However, better than predicted block grades and flexibility in the mine plan allowed for the mining and processing of higher grade ore, ensuring copper production met guidance. As a result of enhancements to the PV2 mine plan moving forward, this minor rescheduling is not expected to have a material impact on future periods.
- At Cozamin, both grade and throughput were lower than planned as implementation of new ground support procedures advanced slower than expected in the first part of the quarter. Benefits from additional training were realized by March, with activities now underway to improve development performance and increase longhole inventory. The current plan calls for Cozamin to make up the production shortfall from the first quarter throughout the remainder of 2015.
- At Minto, production was significantly higher than planned due to ore from Area 118 underground that was above model grades, combined with the successful mining of a switchback in the Area 2 Stage 2 pit in advance of it being required for water storage, which was not in the mine plan. The hearing held by the Yukon Water Board on the Water Use Licence amendment took place during the first week of March and we await receipt of the licence. The current plan has the mill continuing to process underground and stockpiled ore, with surface mining on hold until receipt of the required licence which is expected in the second quarter.

#### Q1 2015 Operating Details

	Pinto Valley	Cozamin	Minto	Total
Contained Copper Production <sup>(1)</sup>				
- Copper in concentrate and cathode (tonnes)	15,809	3,773	4,095	23,677
- Zinc (tonnes)	-	1,671	-	1,671
- Molybdenum (Mo tonnes)	49	-	-	49
- Lead (tonnes)	-	281	-	281
- Silver (ounces)				











- Gold (ounces) <sup>(2)</sup>	-	-	3,792	3,792
Payable Copper Production <sup>(1)</sup> (tonnes)	15,282	3,609	3,962	22,853
Mine				
- Ore (tonnes) &ndash; open pit	4,704,771	-	80,297	4,785,068
- Waste (tonnes)	2,057,796	-	58,400	2,116,196
- Ore (tonnes) &ndash; underground	-	288,219	96,491	384,710
Mill				
- Tonnes processed	4,037,635	286,591	334,961	4,659,187
- Tonnes processed per day	44,863	3,184	3,722	51,769
- Copper grade (%)	0.43 <sup>(3)</sup>	1.42	1.42	0.56
- Zinc grade (%)	-	0.83	-	0.83
- Molybdenum grade (%)	0.011	-	-	0.011
- Lead grade (%)	-	0.17	-	0.17
- Silver grade (g/t)	*	44.0	4.52	22.7
- Gold grade (g/t)	-	-	0.48	0.48
Recoveries				
- Copper (%)	88.6 <sup>(3)</sup>	92.9	85.9	88.7
- Zinc (%)	-	70.1	-	70.1
- Lead (%)	-	56.3	-	56.3
- Silver (%)	*	70.4	77.9	71.2
- Gold (%)	-	-	73.9	73.9
Concentrates				
- Copper concentrate (dmt)	53,593	14,611	11,663	79,867
Copper (%)	28.4	25.8	35.1	28.9
Silver (g/t)	*	516.0	101.1	331.9
Gold (g/t)	-	-	10.1	10.1
- Zinc concentrate (dmt)	-	3,534	-	3,534
Zinc (%)	-	47.3	-	47.3
- Molybdenum concentrate (dmt)	98	-	-	98
- Lead concentrate (dmt)	-	456	-	456
Lead (%)	-	61.5	-	61.5
Silver (g/t)	-	2,949	-	2,949
Payable Copper Shipped (tonnes)	13,289	3,872	2,921	20,082

(1) Adjustments based on final settlements will be made in future periods. (2) Pinto Valley gold production reaches payable

levels from time to time. Any payable gold production will be reported in the period revenue is received. At Minto, final gold production is not available since assaying is conducted off-site, but is estimated above. (3) Grade and recoveries were estimated based on concentrate production. \*Silver has not been estimated in the Pinto Valley resource model. Only recovered silver is reported for this mine.

## Production Outlook

Capstone's 2015 guidance for 90,000 tonnes ( $\pm 5\%$ ) of copper in concentrates and cathode, at a C1 cash cost<sup>(1)</sup> of \$2.00 to \$2.10 per pound of payable copper produced net of by-product credits and selling costs, remains unchanged.

(1) This is an alternative performance measure; please see "Alternative Performance Measures" at the end of this release. All amounts in US\$ unless otherwise specified.

## Financial Results Timing

Capstone will report Q1 2015 financial results on Tuesday, April 28, 2015 after market close, followed by a conference call and webcast for investors and analysts on Wednesday, April 29, 2015 at 11:30 am Eastern Time (8:30 am Pacific Time).

## Conference Call and Webcast Details

Date: Wednesday, April 29, 2015  
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://www.newswire.ca/en/webcast/detail/1492981/1662973>  
Replay: North America: 1-888-390-0541, International: +416-764-8677  
Replay Passcode: 822166#

The conference call replay will be available until Wednesday, May 13, 2015. The conference call audio and transcript will be available on Capstone's website within approximately 24 hours of the call at <http://capstonemining.com/investors/conference-calls-and-webcasts/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 copper-silver mine in Zacatecas State, Mexico and the Minto copper mine in Yukon, Canada. In addition, Capstone has two copper development projects; the large scale 70% owned copper-iron Santo Domingo project in Region III, Chile, in partnership with Korea Resources Corporation, and the 100% owned copper-zinc Kutcho project in British Columbia, Canada, as well as exploration properties in Chile. Using our cash flow and strong balance sheet as a platform, Capstone's strategy is to extend the lives of our current mines with mineral resource and reserve expansions, to advance the Santo Domingo development project, conduct focused exploration and grow through acquisitions in politically stable, mining-friendly regions. We will pace our growth with our financial capacity, ensuring we retain, as a priority, sufficient financial flexibility to meet the requirements of our existing operations and our committed development projects, while maintaining an adequate cushion to deal with market volatility and operating risks inherent in the mining industry. 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).

## 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 Mining Corp.](#) (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 Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the conversion of mineral resources to mineral reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "outlook", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "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", "plan", "planned", "estimated", "projections", "projected" and "expected". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents; dependence on key personnel;

labour pool constraints; labour disputes; availability of infrastructure required for the development of mining projects; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; counterparty risks associated with sales of our metals; changes in general economic conditions; increased operating and capital costs; operating in foreign jurisdictions with risk of changes to governmental regulation; impact of climatic conditions

on our Pinto Valley, Cozamin and Minto operations; increasing energy prices; our ability to integrate new acquisitions into our operations, 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 on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

#### National Instrument 43-101 Compliance

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 Brad Skeeles, P. Eng., Vice President of North American Operations (Technical Information related to mining and production) and Gregg Bush, P. Eng., Senior Vice President and Chief Operating Officer, both Qualified Persons under NI 43-101.

#### Alternative Performance Measures

The item marked with (1) "C1 Cash Cost per Pound of Payable Copper Produced" is an Alternative Performance Measure. This performance measure is included because this statistic is a key performance measure that management uses to monitor performance. Management uses this statistic to assess how the Company is performing to plan and to assess the overall effectiveness and efficiency of mining operations. This performance measure does not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This performance measure should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

SOURCE [Capstone Mining Corp.](#)

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