(All amounts in US$ unless otherwise specified)

VANCOUVER, April 28, 2015 /CNW/ - Capstone Mining Corp. ("Capstone") (TSX: CS) today announced its financial results for the quarter ended March 31, 2015. Operating cash flow before changes in working capital[1] was $16.5 million or $0.04 per share, with a net loss of $17.4 million and an adjusted net loss of $8.9 million after adjusting for certain non-cash and non-recurring charges. Copper production for the quarter totalled 23,677 tonnes of copper (22,853 tonnes of payable copper) at a C1 cash cost[1] of $1.97 per payable pound produced versus copper sales for the quarter of 20,082 tonnes at a C1 cash cost[1] of $1.89 per payable pound sold.

Capstone will hold a conference call and webcast on Wednesday, April 29, 2015 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 at the end of this release. This release 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, 2015, which are available on Capstone's website at http://capstonemining.com/investors/financial-reporting/default.aspx and on SEDAR. An updated corporate presentation, including results to March 31, 2015, in addition to the Q1 2015 webcast slides, will also be available at http://capstonemining.com/investors/events-and-presentations/default.aspx.

Overview

	Q1 2015	Q1 2014
Revenue ($ millions)	102.9	160.8
Copper produced (tonnes)	23,677	27,215
Payable copper produced (tonnes)	22,853	26,245
C1 cash cost per payable pound produced (1) ($/lb)	1.97	1.92
Copper sold (tonnes)	20,082	26,601
Realized copper price per pound sold ($/lb) *	2.47	2.99
C1 cash cost per payable pound sold (1) ($/lb)	1.89	1.86
All-in sustaining cost per payable pound sold (1) ($/lb)	2.36	2.28
All-in cost per payable pound sold (1) ($/lb)	3.05	2.33
Fully-loaded all-in cost per payable pound sold (1) ($/lb)	3.15	2.50
Net loss ($ millions)	(17.4)	(4.4)
Net loss per common share ($)	(0.04)	(0.01)
Adjusted net loss ($ millions)	(8.9)	(4.4)
Adjusted net loss per common share ($)	(0.02)	(0.01)
Adjusted EBITDA (1) ($ millions)	24.3	56.4
Adjusted EBITDA (1) per common share ($)	0.06	0.15
Operating cash flow before changes in working capital (1) ($ millions)	16.5	50.2
Operating cash flow before changes in working capital per common share (1) ($)	0.04	0.14
Cash and cash equivalents ($ millions)	122.6	135.7
Net debt (1) ($ millions)	177.2	175.5

* Q1 2015 includes a negative provisional pricing adjustment of $12.7 million related to prior shipments, equivalent to $0.29 per pound of copper sold during the quarter.

1 These are alternative performance measures; please see "Alternative Performance Measures" at the end of this release.

"In the first quarter of 2015 we focused on flexibility and execution," said Darren Pylot, President and CEO of Capstone. "We maintained our financial flexibility by renegotiating our credit lines, identifying discretionary components within our 2015 capital plan and matching the advancement of our development projects to our financial capacity as copper prices touched on a six-year low."

"Our focus on execution centred on mill reliability at Pinto Valley," continued Mr. Pylot. "We developed plans and commenced improvement activities, with one important step being the completion of a reorganization and realignment at Pinto Valley during the first quarter. As we advance activities around our maintenance programs, we will continue to achieve guidance, while taking the necessary steps to meet our throughput goals."

"In the first quarter we also realized significant success in executing at Minto while continuing to wait for the issuance of an amended Water Use Licence. As the public hearing on the amendment occurred the first week in March, the best course of action was to keep surface mining on standby and await receipt of the amendment, expected in the second quarter. Our mine plan provides the flexibility to access Minto North as quickly as possible once approval is granted."

Financial and Production Highlights for the Quarter Ended March 31, 2015

- Net loss of $17.4 million or $0.05 per common share which included:
    - Earnings from mining operations of $4.9 million,
        - Realized copper price of $2.47 per pound sold and a C1 cash cost[1] of $1.89 per payable pound sold.
    - Production costs included a $2.6 million non-cash charge related to the write-down of inventory at the Minto Mine,
    - A non-cash charge of $3.6 million related to the impairment of available-for-sale securities,
    - Operational restructuring costs of $2.2 million related to Pinto Valley,
    - Stand-by fees of $1.1 million at Minto for reduced open pit mining rates,
    - $1.7 million in current and deferred tax expenses.
- Adjusted EBITDA[1] of $24.3 million or $0.06 per common share after making adjustments for certain non-cash and other items
- Operating cash flow before changes in working capital[1] of $16.5 million or $0.04 per common share.
- Adjusted net loss[1] of $8.9 million or $0.02 per common share after making adjustments for certain non-recurring items.
- Working capital increased to $193.6 million at March 31, 2015 (which included $122.6 million of cash and cash equivalents) from $106.5 million at December 31, 2014.
- Production of 22,853 tonnes of payable copper at a C1 cash cost[1] of $1.97 per pound of payable copper produced.
- Revenue of $102.9 million generated primarily from the sale of 20,082 tonnes of payable copper at a realized copper price of $2.47 per pound sold and a C1 cash cost[1] of $1.89 per pound sold.

Operational Highlights for the Quarter Ended March 31, 2015

Pinto Valley Mine:

- Produced 15,809 tonnes of copper in concentrates and cathode at a C1 cash cost[1] of $1.93 per pound of payable copper produced.
- During Q1 2015, an additional hydraulic shovel and three more haul trucks arrived at site as part of the capital considered under the PV2 expansion plan.
- Completed a reorganization to improve operational efficiency and accountability. As part of the redesign, approximately 40 salaried staff left the organization and a further 30 people changed roles, resulting in a reduction to the salaried workforce of 15% and restructuring costs of $2.2 million recognized in the quarter.
- Work continued during the quarter to advance two PV3 scenarios towards a Pre-Feasibility study level ("PV3 PFS"). The PV3 PFS base case will include a 10% to 15% increase in throughput and the possibility of a mine life extension beyond 2026 and a second case will evaluate a throughput increase to 90,000 tonnes per day combined with a potential mine life extension. The PV3 PFS is expected to be completed in the third quarter of 2015, at which time we will evaluate the two alternatives and the best use of capital.

Cozamin Mine:

- Produced 3,773 tonnes of copper in concentrates at a C1 cash cost[1] of $1.51 per pound of payable copper.
- Mine development rates were reviewed in Q1 2015 with a focus on improvement through training, thereby helping to ensure sufficient underground production inventory going forward.
- Efforts continued throughout Q1 2015 on the permitting process for additional surface drilling at the Cozamin mine site with the permit expected to be received in Q2 2015.
- Underground access for the Mala Noche vein resource drilling program is advancing on plan with an expected start to the program in Q3 2015.

Minto Mine:

- Produced 4,095 tonnes of copper in concentrates at a C1 cash cost[1] of $2.58 per pound of payable copper produced, which included $0.14 per pound of cost allocated from stockpile which was spent in prior periods, bringing the actual cash expended during Q1 2015 to $2.44 per pound of payable copper produced.
- The hearing with the Yukon Water Board on the Water Use Licence Amendment took place in the first week of March and the Company awaits receipt of the licence. The current plan has the mill continuing to process ore from underground and stockpiles, with surface mining on hold until receipt of the required licence, which is expected in Q2 2015.

Santo Domingo Project:

- The Company completed the tender process for Engineering, Procurement, and Construction ("EPC") and Engineering, Procurement, and Construction Management ("EPCM") packages for project development. Capstone has selected POSCO E&C ("POSCO") as the preferred EPC fixed price lump sum contractor for the Santo Domingo project. While the EPC contract has not been concluded, Capstone has awarded a Limited Notice to Proceed to the end of Stage-Gate 1, which will include confirmation of completeness of the engineering and contractual performance guarantee parameters. This award totals approximately $4.5 million and is part of Capstone's previously announced 2015 base case budget of $16.9 million (of which Capstone's 70% share is $11.8 million). This work is expected to be completed before the end of Q2 2015. Following Stage-Gate 1 next steps will be determined and communicated. The total capital cost of the project is expected to be at or below the previously estimated $1.7 billion.
- During Q2 2015 the Company expects to present its third addendum for the Environmental Impact Assessment. Based on the current timetable it is now expected to be approved during Q2 2015, which aligns with the revised engineering development plan outlined above.
- A third party objection to the Santo Domingo port concession application was rejected by the Chilean Armed Forces, clearing the way for the anticipated approval of the application in Q2 2015.

Greenfield Exploration:

- Exploration work at Project Providencia in Region II, Chile during Q1 2015 included minor infill soil sampling and trenching. Drilling resumed in late March but was temporarily halted due to extensive flash flooding in the Atacama region.
- Four separate copper-gold prospects are slated for testing when drilling resumes in Q2 2015. Two targets are porphyry-type and two are IOCG / Manto type. To date in 2015, a total of 496 metres of RC drilling was completed in two holes before the temporary shutdown.

New Alternative Performance Measures

Effective for 2015, Capstone has commenced reporting C1 cash cost[1] on the basis of per pound of payable copper SOLD as well as the previously reported per pound of payable copper PRODUCED.

The Company has also commenced reporting additional Alternative Performance Measures that are more fulsome in nature, all of which will be reported on the basis of per pound of copper SOLD:

- All-in sustaining cost[1] – equal to C1 cash[1] cost plus sustaining costs.
- All-in cost[1] – equal to all-in sustaining costs[1] plus development capital.
- Fully-loaded all-in cost[1] – equal to all-in costs[1] plus taxes and interest on long term debt.

These new unit cost figures are meant to provide our stakeholders with a better understanding of the economics of our operations. Additionally, each measure has been defined in a detailed table at the end of the MD&A for the quarter ended March 31, 2015.

Production Outlook

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

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.

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. 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

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 Brad Skeeles, P. Eng., Vice President of North American Operations (Technical Information related to mining and production), Brad Mercer, P. Geol., Vice President, Exploration (Technical Information related to mineral exploration activities), and Gregg Bush, P. Eng., Senior Vice President and Chief Operating Officer, all 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 Interim Management's Discussion and Analysis for the quarter ended March 31, 2015 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 U.S. securities laws. Without limiting the foregoing, this news release may refer to technical reports that use the terms "indicated" and "inferred" resources. U.S. investors are cautioned that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under U.S. 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. U.S. investors are cautioned not to assume that all or any part of indicated resources will ever be converted into reserves. U.S. 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, U.S. 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 U.S. companies subject to the reporting and disclosure requirements of the SEC.

SOURCE Capstone Mining Corp.

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