

Second quarter production of 21,100 tonnes of copper

VANCOUVER, July 13, 2015 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) today announced operating results for the three and six months ending June 30, 2015. Combined production totalled 21,100 and 44,800 tonnes of copper in the second quarter and year-to-date periods, respectively, with additional by-products of zinc, molybdenum, lead, silver and gold.

#### Q2 2015 Copper Production (tonnes)

	Q1	Q2	YTD 2015
Pinto Valley	15,800	14,300	30,100
Cozamin	3,800	2,700	6,500
Minto	4,100	4,100	8,200
Total copper production	23,700	21,100	44,800

"We are pleased to report good results from our operational improvements at Pinto Valley with respect to mill reliability, and we approached our targeted run rate by the end of the second quarter," said Darren Pylot, President and CEO of Capstone. "In total, second quarter production met our expectations, which called for lower grade at Pinto Valley. Improving performance at Pinto Valley and strong results from Minto offset the production short-fall at Cozamin."

#### Operational Highlights

- At Pinto Valley, mill throughput improved 7% over the first quarter with successive month-over-month improvement throughout the second quarter and averaging over 50,000 tonnes per day ("tpd") so far in July. The asset improvement plan is on track, with the various tasks ranging from 65% to 85% complete and operational reliability is increasing. Throughput for June surpassed 52,000 tpd for one-third of the days and was over 50,000 tpd for half of the days in June, with the mill posting an all-time daily high in excess of 58,000 tpd. Production remains on plan with better than predicted block grades continuing in the second quarter. The 2015 mine plan calls for the second and third quarters to be the lowest grade quarters of the year.
- At Cozamin, grade, throughput and recoveries were all lower than planned for the quarter. While progress was made on improving development performance and increasing long-hole inventory, the mine continues to work through changes made to our mining procedures and the need to adapt practices to increased ore production from the footwall zone. Practices are being refined, most particularly related to grade control, but Cozamin is not expected to reach its production guidance for 2015.
- At Minto, production continued above plan in the second quarter and as a result Minto is expected to exceed its 2015 production guidance. Ore from Area 118 underground continued to run significantly above model grades and enhanced mining practices resulted in lower dilution than budgeted. Further unplanned ore production came from the Area 2 Stage 2 pit above the water storage level. The Yukon Water Board issued a draft Water Use Licence on May 29, 2015 and is now in the process of issuing the final licence. We continue to process underground and stockpiled ore, while we await receipt of the final licence.

#### Q2 2015 Operating Details

	Pinto Valley		Cozamin		Minto
	Q2	YTD 2015	Q2	YTD 2015	YTD 2015
Contained Production <sup>(1)</sup>					
- Copper in concentrate and cathode (tonnes)	14,266	30,075	<del>2,606</del>	4,141	8,236
- Zinc (tonnes)	-	-	<del>3,003</del>	-	-
- Molybdenum (Mo tonnes)	13	62	-	-	-
- Lead (tonnes)	-	-	<del>493</del>	-	-
- Silver (ounces)	63,861	136,229	<del>253,040</del>	39,214	77,132
- Gold (ounces) <sup>(2)</sup>	668	749	-	3,904	7,696
Payable Copper Production <sup>(1)</sup> (tonnes)	13,789	29,070	<del>2,582</del>	4,006	7,969
(in concentrate and cathode)					

Mine					
- Ore (tonnes) &ndash; open pit	6,541,097	11,245,868	-	90,485	170,782
- Waste (tonnes)	2,237,016	4,294,812	-	42,875	101,275
- Ore (tonnes) &ndash; underground	-	-	<del>250,393</del>	116,488	212,979
Mill					
- Tonnes processed	4,377,126	8,414,761	<del>257,586</del>	353,312	688,194
- Tonnes processed per day	48,100	46,490	<del>2,807</del>	3,883	3,802
- Copper grade (%)	0.37 <sup>(3)</sup>	0.39 <sup>(3)</sup>	<del>1.30</del>	1.38	1.40
- Zinc grade (%)	-	-	<del>0.92</del>	-	-
- Molybdenum grade (%)	0.005	0.008	-	-	-
- Lead grade (%)	-	-	<del>0.16</del>	-	-
- Silver grade (g/t)	*	*	<del>46.02</del>	4.69	4.61
- Gold grade (g/t)	*	*	-	0.49	0.48
Recoveries					
- Copper (%)	86.0 <sup>(3)</sup>	87.1 <sup>(3)</sup>	<del>99.0</del>	84.8	85.3
- Zinc (%)	-	-	<del>68.0</del>	-	-
- Lead (%)	-	-	<del>65.0</del>	-	-
- Silver (%)	*	*	<del>66.6</del>	73.6	75.6
- Gold (%)	*	*	-	70.6	72.2
Concentrates <sup>(2)</sup>					
- Copper concentrate (dmt)	47,293	100,886	<del>26,362</del>	11,478	23,141
Copper (%)	29.1	28.7	<del>25.0</del>	36.1	35.6
Silver (g/t)	*	*	<del>676</del>	106.3	103.7
Gold (g/t)	*	*	-	10.6	10.3
- Zinc concentrate (dmt)	-	-	<del>2,906</del>	-	-
Zinc (%)	-	-	<del>46.9</del>	-	-
- Molybdenum concentrate (dmt)	27	125	-	-	-
- Lead concentrate (dmt)	-	-	<del>389</del>	-	-
Lead (%)	-	-	<del>60.0</del>	-	-
Silver (g/t)	-	-	<del>3,076</del>	-	-
Payable Copper Shipped (tonnes)	14,340	27,629	<del>3,385</del>	2,820	5,741

(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 and gold have not been estimated in the Pinto Valley resource model. Only recovered silver and payable gold is reported for this mine.

## Production Outlook

Capstone's 2015 production guidance of 90,000 tonnes ( $\pm 5\%$ ) of copper remains unchanged, however the distribution by mine is expected to be different than originally guided, with outperformance at Minto expected to make up most of the anticipated shortfall at Cozamin for the year.

## Financial Results Timing

Capstone will report Q2 2015 financial results on Tuesday, July 28, 2015 after market close, followed by a conference call and webcast for investors and analysts on Wednesday, July 29, 2015 at 11:30 am Eastern Time (8:30 am Pacific Time).

## Conference Call and Webcast Details

Date: Wednesday, July 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://event.on24.com/r.htm?e=1000199&s=1&k=6E7B88DAB505C62F38A067093BB73611>  
Replay: North America: 1-888-390-0541, International: +416-764-8677  
Replay Passcode: 620193#

The conference call replay will be available until Thursday, August 13, 2015. The conference call audio and transcript will be available on Capstone's website within approximately 24 hours of at <http://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 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", "expectations", "targeted", "plan", "planned", "estimated" 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 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.

SOURCE [Capstone Mining Corp.](http://www.capstonemining.com)