

VANCOUVER, Aug. 5, 2015 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) has received the new Water Use Licence ("WUL") for the Minto Mine. This WUL completes the final stage of permitting for all of the mineral reserves identified in the July 2012 Phase VI Pre-Feasibility Study. Most importantly, this licence is required in order to commence stripping of the high-grade, shallow Minto North deposit.

"We are very pleased to have received the long-anticipated WUL to support the production extension at Minto," said Darren Pylot, Capstone's President and CEO. "Access to the high-grade mineralization at Minto North will have a very positive impact on the continuation of jobs and economic benefit in Yukon. The mining of the Minto North deposit also makes a significant contribution to the economics of the mine and to Capstone's cash flow in 2016."

Ramp-up in preparation for pre-stripping the Minto North pit will commence immediately, with ore from Minto North starting to feed the mill in December 2015, followed by significant high-grade ore released in the second quarter of 2016. For the balance of 2015, the mill will continue to process underground and stockpiled ore. In 2016, the mill will process predominately ore from Minto North supplemented by underground and stockpiled ore.

Minto is expected to surpass its 2015 production guidance. Positive underground grade reconciliations and unplanned ore received primarily from the Area 2 switchback early in the year, are projected to more than offset the shortfall that resulted from the delay in receiving the WUL. In addition, the mine plan has been revised to mine Minto North in a staged approach to mitigate some of the delay. Production in 2016 is expected to be approximately 60 million pounds of copper. The majority of the 2015 capitalized stripping guidance of \$23.6 million is still expected to be spent in 2015.

The Minto Mine commenced operations in 2007 with a six year mine life from the Main pit, the only known ore deposit at that time. Since then, successful exploration has extended the mine life to 2021. Under the regulatory process in Yukon, new permits are required each time additional reserves are brought into the mine plan. Capstone made an application to the Yukon Environmental Socio-Economic Assessment Board ("YESAB") for all copper reserves (exclusive of resources) identified on the property as at July 2013 and YESAB recommended in favour of the proposed continuation of operations at Minto in April 2014. Application for the amended Quartz Mining License ("QML") and WUL was made on July 2, 2014. Approval of the QML amendment for Minto North was received in September 2014 and approval for the full Phase V/VI QML amendment in December 2014.

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", "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 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; delays in obtaining governmental approvals or financing; counterparty risks associated with sales of our metals; changes in general economic conditions; increased operating and capital costs; operating in jurisdictions with risk of changes to governmental regulation; impact of climatic conditions on our Minto operations; increasing energy prices, 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.](http://www.sedar.com)'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 Gregg Bush, P. Eng., Senior Vice President and Chief Operating Officer of Capstone, a Qualified Person under NI 43-101.

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.

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