

VANCOUVER, March 9, 2016 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) today announced that it has taken steps to support covenant compliance on its Revolving Credit Facility ("RCF") throughout 2016 at copper prices as low as US\$1.60 per pound in the first half of the year and US\$1.70 per pound in the second half.

Actions taken include price fixing over 90% of the copper that had been sold in Q4 2015 with open copper pricing periods at December 31, 2015, at US\$2.13 per pound of copper, eliminating the risk of a material negative pricing adjustment to Q1 2016 revenue; price fixing and hedging approximately 75% of Q1 2016 expected sales at US\$2.20 per pound of copper; and hedging 90% of expected Q2 2016 sales at US\$2.24 per pound of copper.

These actions, when combined with the January and February 2016 copper put options at US\$2.60 per pound of copper, are expected to ensure compliance with the financial ratio tests under the RCF, provided consolidated production and costs meet guided levels. They are expected to eliminate the need to use any of the additional liquidity levers in 2016 that were outlined in the December 31, 2015 Management's Discussion and Analysis, including amending the RCF to obtain covenant relief, preserving the flexibility to use those levers beyond 2016 should metal markets continue lower.

"In this challenging commodity price environment our first priority is to reduce our debt risk," said Darren Pylot, Capstone President and CEO. "The recent upward spike in the copper price allowed us to opportunistically lock in most of our revenue for the first half of the year to help ensure compliance with our debt covenants. Beyond the first half of 2016, when production from our high grade Minto North pit is expected to contribute significant EBITDA, we remain open to copper price changes."

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 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 Kutcho copper-zinc project in British Columbia, Canada, as well as exploration properties in Chile. Capstone's strategy is to continue to extend the lives of our current mines with mineral resource and reserve expansions, maintain the optionality on the Santo Domingo development project, prudently progress the exploration portfolio 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 remaining within covenant compliance on the RCF, meeting 2016 guided production and costs, 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 "risk", "expected", "provided" and "guided". 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.

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