

VANCOUVER, July 13, 2016 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) today announced production results for the three and six months ended June 30, 2016. Combined production totalled 28,100 and 52,700 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 2016 Copper Production (tonnes)

	Q1	Q2	YTD 2016
Pinto Valley	16,400	18,800	35,200
Cozamin	3,700	3,300	7,000
Minto	4,500	6,000	10,500
Total copper production ⁽¹⁾	24,600	28,100	52,700

(1) Total production includes copper in concentrate and cathode production.

"Consolidated copper production for the second quarter continued very strong, setting an all-time production record for Capstone. Pinto Valley exceeded expectations, achieving a third consecutive quarterly throughput record," said Darren Pylot, President and CEO of Capstone. "The stability and reliability of operations at Pinto Valley has provided a solid foundation for us to devote our full attention to advancing further productivity improvements."

Operational Highlights

- At Pinto Valley, throughput continued above plan, setting a third straight quarterly throughput record of 55,700 tonnes per day and a quarterly production record. Better than planned copper grade and recovery also contributed to higher than planned production for the quarter.
- At Cozamin, production continued to be challenged by a shortfall in development. The mine underwent a reorganization in the quarter and a number of additional process improvement and training resources were implemented. Development rates have consistently improved, however Cozamin is not expected to reach its production guidance for 2016.
- At Minto, production was better than planned, led by strong throughput and recoveries resulting from continued lower than expected oxide content in the Minto North ore. Mining continues to advance in the Minto North pit, with copper grades above 2% reaching the mill by early June, resulting in significantly higher production planned for the second half of the year. Underground mining continued through the second quarter and is planned to extend into Q3, to take advantage of high-grade underground ore.

Operating Outlook

- Capstone's 2016 production guidance for 108,000 tonnes ($\pm 5\%$) of copper remains unchanged, however the distribution by mine is expected to be different than originally guided, with outperformance at Pinto Valley and Minto expected to make up most of the anticipated shortfall at Cozamin for the year.

Q2 2016 Operating Details

	Pinto Valley		Cozamin		Minto
	Q2	YTD 2016	Q2	YTD 2016	YTD 2016
Contained Production ⁽¹⁾					
- Copper (tonnes)	18,776	35,141	6,288 6,288	6,093	10,615
- Zinc (tonnes)	-	-	926 926	-	-
- Molybdenum (Mo tonnes)	43	49	-	-	-
- Lead (tonnes)	-	-	69 69	-	-
- Silver (ounces)	100,466	192,753	200,603 200,603	59,647	102,408
- Gold (ounces) ⁽²⁾	264	705	-	4,881	7,995

Payable Copper Production ⁽¹⁾ (tonnes) 18,150 33,966 **6,650** 5,895 10,270

(in concentrate and cathode)

Mine

- Ore (tonnes) – open pit 5,714,618 11,229,147 - 470,650 799,551
 - Waste (tonnes) 5,060,151 9,167,144 - 2,147,575 4,718,345
 - Ore (tonnes) – underground - - ~~280,940~~ 21,101 132,066

Mill

- Tonnes processed 5,065,665 10,068,238 ~~287,650~~ 378,805 741,413
 - Tonnes processed per day 55,667 55,320 **2,670** 4,163 4,074
 - Copper grade (%) 0.40 ⁽³⁾ 0.38 ⁽³⁾ **1.52** 1.68 1.51
 - Zinc grade (%) - - **0.63** - -
 - Molybdenum grade (%) 0.007 0.007 - - -
 - Lead grade (%) - - **0.08** - -
 - Silver grade (g/t) * * **44** 6 5
 - Gold grade (g/t) * * - 0.61 0.51

Recoveries

- Copper (%) 89.7 ⁽³⁾ 87.4 ⁽³⁾ **94.8** 95.5 95.1
 - Zinc (%) - - **60.8** - -
 - Lead (%) - - **18.9** - -
 - Silver (%) * * **72.8** 82.6 80.4
 - Gold (%) * * - 66.1 66.4

Concentrates

- Copper concentrate (dmt) 62,528 119,969 ~~20,900~~ 14,884 27,045
 Copper (%) 29.2 28.4 **26.8** 40.9 39.3
 Silver (g/t) * * **502** 125 118
 Gold (g/t) * * - 10.20 9.20
 - Zinc concentrate (dmt) - - **3,969** - -
 Zinc (%) - - **46.2** - -
 - Molybdenum concentrate (dmt) 93 105 - - -
 - Lead concentrate (dmt) - - **622** - -
 Lead (%) - - **56.9** - -
 Silver (g/t) - - **2,007** - -
 Payable Copper Shipped (tonnes) 16,694 33,442 **3,236** 2,620 9,676

(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.

Financial Results Timing

Capstone will report Q2 2016 financial results on Tuesday, July 26, 2016 after market close, followed by a conference call and webcast for investors and analysts on Wednesday, July 27, 2016 at 11:30 am Eastern Time (8:30 am Pacific Time).

Conference Call and Webcast Details

Date: Wednesday, July 27, 2016
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=1186432&s=1&k=A468B7DF9F7C38CB231D23E4E75DC74B>
Replay: North America: 1-888-390-0541, International: +416-764-8677
Replay Passcode: 301819#

The conference call replay will be available until Wednesday, August 3, 2016. The conference call audio and transcript will be available on Capstone's website within 48 hours of the call at <http://capstonemining.com/investors/events-and-presentations/default.aspx>.

About Capstone Mining Corp.

[Capstone Mining Corp.](http://www.capstonemining.com) 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 and US. Capstone's strategy is to focus on the optimization of operations and assets in politically stable, mining-friendly regions, centred in the Americas. 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 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 our expectations or beliefs regarding future events. Forward-looking statements include, but are not limited to, statements with respect to the estimation of mineral resources and mineral reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures, the success of our mining operations, environmental risks, unanticipated reclamation expenses and title disputes. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "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", "ensured" and "expected". By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, amongst others, risks related to inherent hazards associated

with mining operations, assumptions related to geotechnical condition of tailings facilities, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, changes in general economic conditions, accuracy of mineral resource and mineral reserve estimates, operating in foreign jurisdictions with risk of changes to governmental regulation, compliance with governmental regulations, compliance with environmental laws and regulations, reliance on approvals, licences and permits from governmental authorities, impact of climatic conditions on our Pinto Valley, Cozamin and Minto operations, aboriginal title claims and rights to consultation and accommodation, land reclamation and mine closure obligations, uncertainties and risks related to the potential development of the Santo Domingo Project, increased operating and capital costs, challenges to title to our mineral properties, dependence on key management personnel, potential conflicts of interest involving our directors and officers, corruption and bribery, limitations inherent in our insurance coverage, labour relations, increasing energy prices, competition in the mining industry, risks associated with joint venture partners, our ability to integrate new acquisitions into our operations, cybersecurity threats 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 under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause our actual results, performance or achievements to differ materially from those described in our forward-looking statements, there may be other factors that cause our results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that our forward-looking statements will prove to be accurate, as our actual results, performance or achievements could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on our 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 Gregg Bush, P. Eng., Capstone Senior Vice President and Chief Operating Officer, a Qualified Person under NI 43-101.

SOURCE [Capstone Mining Corp.](#)

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