

VANCOUVER, Jan. 11, 2017 /CNW/ - [Capstone Mining Corp.](#) ("Capstone") (TSX: CS) today announced production results for the three and twelve months ended December 31, 2016. Combined production totalled 29,900 and 114,600 tonnes of copper in the fourth quarter and year-to-date periods, respectively, with additional by-products of zinc, molybdenum, lead, silver and gold.

#### 2016 Copper Production (tonnes)

	Q1	Q2	Q3	Q4	YTD 2016	2016 Guidance <sup>(2)</sup>
Pinto Valley	16,400	18,800	16,600	17,100	68,900	66,000
Cozamin	3,700	3,300	3,400	4,000	14,300	14,000
Minto	4,500	6,000	12,000	8,800	31,400	28,000
Total copper production <sup>(1)</sup>	24,600	28,100	32,000	29,900	114,600	108,000

Totals may not add due to rounding. (1) Total production includes copper in concentrate and cathode production. (2) Total copper production guidance of 108,000 tonnes (+/- 5%) reflects guidance provided on January 18, 2016. Production guidance at Pinto Valley and Minto was increased, offsetting reduced Cozamin guidance on July 26, 2016.

"Capstone's 2016 consolidated copper production exceeded guidance, driven primarily by outperformance at Pinto Valley and Minto," said Darren Pylot, President and CEO of Capstone. "Record setting production at both these operations contributed to a year of exceptional operating performance."

#### Operational Highlights

- Copper production at Pinto Valley exceeded expectations, with throughput above plan for the quarter and year. Throughput averaged 56,800 tonnes per day ("tpd") and 56,200 tpd for the fourth quarter and full year, respectively. The operation continued to demonstrate the mine's potential, achieving a new daily throughput record of over 64,000 tpd in December.
- At Cozamin, the average grade for the quarter of 1.63% copper offset lower than planned mill throughput, with production ending the year at the previously lowered guidance target. Development rates continued to improve through the fourth quarter.
- At Minto, copper production for the quarter met expectations while full year throughput, grade and recoveries all exceeded plan. In the fourth quarter the mill processed stockpiles, supplemented by underground mining, which continued through the quarter.

#### Q4 and Full Year 2016 Operating Details

	Pinto Valley		Cozamin	Minto	
	Q4	2016	2016	Q4	2016
Contained Production <sup>(1)</sup>					
- Copper (tonnes)	17,051	68,850	4,007	8,801	31,426
- Zinc (tonnes)	-	-	4,198	-	-
- Molybdenum (Mo tonnes)	6	83	-	-	-
- Lead (tonnes)	-	-	330	-	-
- Silver (ounces)	94,585	377,091	2,659	100,088	355,210
- Gold (ounces) <sup>(2)</sup>	761	1,944	-	15,632	39,506
Payable Copper Production <sup>(1)</sup> (tonnes)	16,469	66,527	3,732	8,515	30,404

(in concentrate and cathode)

Mine



- Ore (tonnes) &ndash; open pit	6,191,498	23,435,302	-	-	1,505,651
- Waste (tonnes)	5,145,618	19,507,016	-	-	5,584,619
- Ore (tonnes) &ndash; underground	-	-	<del>298,915</del>	69,229	245,674
<b>Mill</b>					
- Tonnes processed	5,225,712	20,565,133	<del>2,589,150</del>	355,398	1,491,266
- Tonnes processed per day	56,801	56,189	<del>2,836</del>	3,863	4,074
- Copper grade (%)	0.37 <sup>(3)</sup>	0.37 <sup>(3)</sup>	<del>1.63</del>	2.64	2.21
- Zinc grade (%)	-	-	<del>0.66</del>	-	-
- Molybdenum grade (%)	0.006	0.006	-	-	-
- Lead grade (%)	-	-	<del>0.06</del>	-	-
- Silver grade (g/t)	*	*	<del>43</del>	10	8
- Gold grade (g/t)	*	*	-	2.04	1.23
<b>Recoveries</b>					
- Copper (%)	86.7 <sup>(3)</sup>	87.6 <sup>(3)</sup>	<del>95.8</del>	93.9	95.2
- Zinc (%)	-	-	<del>65.8</del>	-	-
- Lead (%)	-	-	<del>28.8</del>	-	-
- Silver (%)	*	*	<del>72.6</del>	92.0	87.8
- Gold (%)	*	*	-	67.1	67.0
<b>Concentrates</b>					
- Copper concentrate (dmt)	58,869	234,702	<del>53,744</del>	18,225	70,349
Copper (%)	28.2	28.5	<del>26.8</del>	48.3	44.7
Silver (g/t)	*	*	<del>566</del>	171	157
Gold (g/t)	*	*	-	26.68	17.47
- Zinc concentrate (dmt)	-	-	<del>8,886</del>	-	-
Zinc (%)	-	-	<del>47.3</del>	-	-
- Molybdenum concentrate (dmt)	12	174	-	-	-
- Lead concentrate (dmt)	-	-	<del>222</del>	-	-
Lead (%)	-	-	<del>62.2</del>	-	-
Silver (g/t)	-	-	<del>3,455</del>	-	-
Payable Copper Shipped (tonnes)	16,540	67,003	<del>3,296</del>	9,735	29,481

(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.

Capstone expects to provide 2017 operating and capital guidance during the week of January 16, 2017.

## Financial Results Timing

Capstone will report 2016 financial results on Wednesday, February 15, 2017 after market close, followed by a conference call and webcast for investors and analysts on Thursday, February 16, 2017 at 11:30 am Eastern Time (8:30 am Pacific Time).

## Conference Call and Webcast Details

Date: Thursday, February 16, 2017  
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=1323771&s=1&k=AFC597F521C716D97270B033FC966280>  
Replay: North America: 1-888-390-0541, International: +416-764-8677  
Replay Passcode: 063291#

The conference call replay will be available until Thursday, February 23, 2017. 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.](#) 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](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 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" and "expects". 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](http://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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