NEWS RELEASE

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Capstone Announces $150 Million Streaming Agreement with Wheaton Precious Metals for 50% of Silver at Cozamin

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(All amounts in US$ unless otherwise specified)

VANCOUVER, British Columbia –
Capstone Mining Corp. («Capstone» or the «Company») (TSX:CS) is pleased to announce that it has, through a wholly-owned subsidiary, entered into a definitive Precious Metals Purchase Agreement (the «Stream Agreement») with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp. (collectively, «Wheaton»). Wheaton will pay an upfront cash consideration of $150 million upon closing for 50% of the silver production until 10 million ounces have been delivered, thereafter dropping to 33% of silver production for the life of mine from the Company's Cozamin Mine in Zacatecas, Mexico («Cozamin»).

«This deal is transformational, giving Capstone one of the lowest debt positions amongst base metal producers at a time when we are expecting significant copper production and cash flow growth. The $150 million for 50% of Cozamin's silver is a strong validation of the ultimate mine life potential we expect to demonstrate through further resource to reserve conversion and ongoing exploration,» said Darren Pylot, President & CEO of Capstone. «We are now looking to strengthen our partnership with Wheaton as we are in advanced discussions for a potential gold stream on Santo Domingo.»

TRANSACTION TERMS

Upfront cash consideration of $150 million to Capstone upon closing of the Stream Agreement, expected in January 2021. Wheaton will make ongoing payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to them. Capstone will deliver 50% of life of mine payable silver from Cozamin until 10 million ounces have been delivered, after which the stream will be reduced to 33%. The Stream Agreement is effective December 1, 2020. Closing of the transaction is subject to the completion of certain corporate matters and customary conditions.

KEY HIGHLIGHTS

- **Use of proceeds** – pay down net debt to zero on closing, with a target of zero debt outstanding in 2021. This will position Capstone to fund attractive low risk, high return, quick payback organic growth projects at Pinto Valley and Cozamin. Advancing these projects will provide sustainable benefits for all stakeholders.
- **Highly compelling cost of capital** – stream structured at a cost lower than the Company's current cost of financing and significantly lower than available capital markets alternatives, such as equity issuance and high yield debt.
- **Capstone free cash flow potential remains robust** – Cozamin continues to be a first quartile cost mine. From a corporate perspective, the elimination of interest costs due to debt repayment would largely offset the cost impact of the stream.
- **Strategy for cash flow from operations** – at spot copper prices, Capstone is expecting to generate $800 million in cumulative after-tax operating cash flow in the next three years (2021-2023). The Company will build cash on the balance sheet, positioning itself to make high return investments, such as exploration drilling and a

paste backfill plant at Cozamin, and Eriez HydroFloat coarse particle flotation at Pinto Valley.

Jason Howe, Capstone's SVP Corporate Development stated, «This is a strong endorsement from a global leader in the metals streaming sector. This will give Capstone an opportunity to get back to having a sector-leading balance sheet to fund strategic growth initiatives. By paying down debt, Capstone can now quickly build equity for shareholders moving forward.»

ADDITIONAL UPCOMING CATALYSTS AT COZAMIN

- The one-way ramp was completed three weeks ahead of schedule on December 7, 2020, on-budget with no lost time accidents.
- A pillar extraction prefeasibility study is targeted for release in early Q1 2021.
- The 80-hole drill program targeting the East extension to the MNFWZ is ongoing. A new MNFWZ West has been identified and is currently being drilled. A drilling update will be released in Q1 2021.

Capstone is committed to creating growth and value for our stakeholders, including our employees and contractors, the local communities in which we operate in and our shareholders.

ADVISORS AND COUNSEL

GenCap Mining Advisory Ltd. is acting as financial advisor to Capstone and Blake, Cassels & Graydon LLP is acting as legal advisor.

ABOUT CAPSTONE MINING CORP.

Capstone Mining Corp. is a Canadian base metals mining company, focused on copper. Our two producing mines are the Pinto Valley copper mine located in Arizona, US and the Cozamin copper-silver mine in Zacatecas State, Mexico. In addition, Capstone owns 70% of Santo Domingo, a large scale, fully-permitted, copper-iron-gold project in Region III, Chile, in partnership with Korea Resources Corporation, as well as a portfolio of exploration properties. Capstone's strategy is to focus on the optimization of operations and assets in politically stable, mining friendly regions, centred in the Americas. We are committed to the responsible development of our assets and the environments in which we operate. 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 news release, and the documents incorporated by reference herein, contains «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. («Capstone» or 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 our expectations or beliefs regarding future events. Forward-looking statements include, but are not limited to, statements with respect to the continuing success of mineral exploration, Capstone's ability to satisfy the conditions of closing of the Stream Agreement and complete required corporate matters, there is no certainty a transaction on Santo Domingo will be completed on favourable terms or at all, Capstone's ability to fund future exploration activities, 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 cost of capital expenditures for the Santo Domingo Project, our ability to separate any permits required for the Santo Domingo Port if necessary, the success of our mining operations, the estimation of increased cathode production, the ability to obtain required permits for the intended expanded leaching activity, the estimation of

the expected economics of the expanded leaching activities, the estimations for potential quantities and grade of inferred resources and exploration targets, 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», «aiming», «approximately», «guidance», «scheduled», «target», «estimates», «forecasts», «extends», «convert», «potential», «intends», «anticipates», «believes» or variations of such words and phrases, or statements that certain actions, events or results «may», «could», «should», «would», «will», «might» or «will be taken», «occur» or «be achieved» or the negative of these terms or comparable terminology. 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, permitting risks related to the Santo Domingo Port, risks related to inherent hazards associated with mining operations and closure of mining projects, the inherent uncertainty of mineral exploration and estimations of exploration targets, potential delays in exploration or interruption of production directly or indirectly related to COVID-19 or governmental action, future prices of copper and other metals, compliance with financial covenants, surety bonding requirements, our ability to raise capital or fund explorations, Capstone's ability to acquire properties for growth, counterparty risks associated with sales of our metals, foreign currency exchange rate fluctuations, changes in general economic conditions, risks associated with hedging strategies, 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 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 Cozamin project, increased operating and capital costs, challenges to title to our mineral properties, maintaining ongoing social license to operate, 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, legal proceedings, 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 MD&A 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.

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