NEWS RELEASE

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Capstone Generated Record Operating Cash Flow of $110 Million in Q2 2021; Net Cash Grows to $172 Million With Zero Drawn Long-Term Debt

julio 27, 2021

(All amounts in US$ unless otherwise specified)

VANCOUVER, British Columbia – Capstone Mining Corp. («Capstone» or the «Company») (TSX:CS) today announced production and financial results for the three («Q2 2021») and six months ended June 30, 2021 («2021 YTD»). Copper production totaled 43.3 million pounds at consolidated C1 cash costs[1] of $1.91 per payable pound of copper produced. Link HERE for Capstone's Q2 2021 management's discussion and analysis («MD&A») and financial statements and HERE for the webcast presentation.

Darren Pylot, President and CEO of Capstone commented, «This was a strong quarter with record copper production at Cozamin and completion of the majority of phase 2 PV3 Optimization work at Pinto Valley». Mr. Pylot added, «We also published our 2020 Sustainability Report, which details our ESG-related programs and reaffirms our long-standing commitment to responsible mining practices.»

Raman Randhawa, SVP & CFO added, «Capstone has generated $205 million of operating cash flow[2], so far in 2021 and with that, our net cash balance has increased to $172 million, plus we have an undrawn corporate revolver of $225 million. Cashing up at the forefront of our transformational growth phase will allow Capstone to execute on Santo Domingo and many other robust, high-impact projects».

OPERATIONAL & FINANCIAL OVERVIEW

Net income of $49.4 million, or $0.12 per share and second quarter 2021. Adjusted net income[1] of $68.7 million or $0.17 per share.

- Record operating cash flow before changes in working capital[1] of $140.4 million. Q2 2021 Operating cash flow before changes in working capital[1] includes $30 million received from Wheaton Precious Metals Corp. («Wheaton») as part of the Santo Domingo precious metals purchase agreement («Gold Stream Agreement»). Operating cash flow before changes in working capital[1], excluding the $30 million payment from Wheaton, of $110.4 million was the highest in Capstone's history, driven by production growth and record high copper prices.
- Net cash[1] grew by $126.7 million to $171.5 million during Q2 2021, inclusive of $30 million in proceeds from the Gold Stream Agreement. The balance sheet was significantly enhanced by solid operating performance and cash flow during Q2 2021.
- Record adjusted EBITDA[1] for Q2 2021 of $128.0 million. Q2 2021 adjusted EBITDA[1] is reflective of Capstone's strong operational performance and financial leverage of the Company's EBITDA[1] in a robust copper price environment.
- Cozamin Mine underground expansion completed with record quarterly copper production of 13.8 million pounds and attained targeted new run rate of 3,780 tonnes per day («tpd»).
- Consolidated copper production of 43.3 million pounds at C1 cash costs[1] of $1.91 per payable pound of copper produced. Consolidated copper production for the first half of 2021 («H1 2021») of 91.1 million pounds at C1 cash costs of $1.80 per payable pound of copper produced was at the mid-range of 2021 guidance.
- Partnership discussions at Santo Domingo are advancing well and expected timeline for announcement is now in Q3 2021. Santo Domingo remains an attractive project as it retains a Decree Law 600 («DL 600») tax invariability agreement which is expected to protect the project from any potential mining royalty tax changes for the majority of the current Mineral Reserve life.

- Commenced a brownfield exploration drilling program at Santo Domingo project to potentially expand the copper/iron ore mineralization resource and for geometallurgical samples for cobalt feasibility work.
- Issued a Sustainability Report. Published the 2020 Sustainability Report, prepared in accordance with the Global Reporting Initiative Standards, Core option. This is Capstone's fifth sustainability report and highlights our commitment to excellence in ESG practices by providing details relating to our programs and performance on topics material to our operations and projects.

[1] This is an alternative performance measure; please see «Alternative Performance Measures» at the end of this release.

[2] Operating cash flow before changes in working capital for the six months ended June 30, 2021 of $385 million, excluding upfront payments of $180 million from silver and gold streams is $205 million. Operating cash flow before changes in working capital is a non-gaap measure.

Operational Overview

Refer to Capstone's Q2 2021 MD&A and Financial Statements for detailed operating results.

	Q2 2021	Q2 2020	2021 YTD	2020 YTD
Copper production (million pounds)				
Pinto Valley	29.5	30.2	65.9	57.0
Cozamin[2]	13.8	8.3	25.2	17.0
Total	43.3	38.5	91.1	74.0
Copper sales				
Copper sold (million pounds)	43.1	37.8	92.3	68.3
Realized copper price ($/lb.)	4.78	2.72	4.43	2.53
C1 cash costs[1] ($/lb.) produced				
Pinto Valley	2.33	2.12	2.12	2.25
Cozamin	1.00	0.98	0.96	0.97
Consolidated	1.91	1.87	1.80	1.96

[2] Q2 2020 production was impacted by restrictions due to the COVID-19 government mandated decree

Consolidated

2021 YTD consolidated production of 91.1 million pounds of copper is at the mid-point of annual guidance of 175 to 190 million pounds of copper. The results are 22% higher than prior year, with Q2 2021 benefiting from Cozamin achieving the new higher run rates (3,780 tpd) and benefits of PV3 Optimization Phase 1 projects at Pinto Valley. The increase in production was the main driver for the $0.16 per payable pound decrease in C1 cash costs[1] in 2021 YTD compared to 2020 YTD.

Pinto Valley Mine

Q2 2021 production was in line with the same period last year. Higher recoveries for Q2 2021 (88.6% versus 85.0% in Q2 2020) were a result of improvements in the flotation circuit and lower mill throughput (49,170 tpd in Q2 2021 versus 53,864 tpd in Q2 2020). Lower mill throughput in Q2 2021 compared to Q1 2020 was attributed to planned maintenance downtime in the plant and the impacts of regional wildfires which restricted many employees access to the mine due to area road closures.

2021 YTD production increased by 16% compared to the same period last year due to higher planned head grades for 2021 YTD (0.34% versus 0.30% in 2020 YTD) and improved flotation plant recovery performance.

C1 cash cost[1] of $2.33 per payable pound in Q2 2021 were higher than Q2 2020 mainly due to slightly lower production and higher costs, which were impacted by planned mill maintenance work, and lower than expected gold and molybdenum by-product credits.

A decrease in 2021 YTD C1 cash cost[1] by $0.13 per payable pound was primarily attributed to higher production compared to the same period last year.

Cozamin Mine

Production in Q2 2021 was 66% higher than the same period last year. This was primarily due to the successful utilization of the Calicanto one-way ramp which increased mill rates from 2,583 tpd in Q2 2020 to 3,828 tpd in Q2 2021. Moreover, Q2 2020 operations were impacted by restrictions due to the COVID-19 government mandated decree. In addition, with the optimized technical report, the mine plan is delivering significantly higher mine grades (1.86% in Q2 2021 versus 1.68% in Q2 2020) from the copper rich San Jose and Calicanto zones.

2021 YTD production increased by 48% compared to the same period last year mainly due to mine and mill expansion (3,588 tpd versus 2,808 tpd in 2020 YTD) and higher head grades (1.83% versus 1.59% in 2020 YTD).

C1 cash costs[1] in Q2 2021 and 2021 YTD were in line with same periods last year, respectively, despite the impact of the Cozamin Silver Stream with Wheaton for 50% of the silver, that closed in Q1 2021, which impacted costs by $0.30 per payable pound in Q2 2021 and by $0.32 per payable pound in 2021 YTD. The cost per payable pound impact of the Cozamin Silver Stream was offset by higher production.

Financial Overview

Refer to Capstone's Q2 2021 MD&A and Financial Statements for detailed financial results.

	Q2 2021	Q2 2020	2021 YTD	2020 YTD
Revenue ($ millions)	209.4	104.7	413.5	175.1
Net income (loss) ($ millions)	49.4	4.3	176.4	(17.6)
Net income (loss) attributable to shareholders ($ millions)	49.4	4.3	150.4	(17.4)
Net income (loss) attributable to shareholders per common share – basic ($)	0.12	0.01	0.37	(0.04)
Net income (loss) attributable to shareholders per common share – diluted ($)	0.12	0.01	0.36	(0.04)
Adjusted net income (loss)[1] ($ millions)	68.7	(0.6)	133.1	(18.3)
Adjusted net income (loss) attributable to shareholders[1] ($ millions)	68.7	(0.6)	133.1	(18.1)

	Q22021	Q22020	2021 YTD	2020 YTD
Adjusted net income (loss) attributable to shareholders per common share – basic[1]($)	0.17	(0.00)	0.33	(0.05)
Adjusted net income (loss) attributable to shareholders per common share – diluted[1]($)	0.17	(0.00)	0.32	(0.05)
Adjusted EBITDA[1] ($ millions)	128.0	12.9	246.6	24.2
Cash flow from operating activities[2] ($ millions)	168.5	45.1	388.8	52.1
Cash flow from operating activities per common share[1] – basic ($)	0.42	0.11	0.96	0.13
Operating cash flow before changes in working capital[1,2] ($ millions)	140.4	24.0	385.3	20.7
Operating cash flow before changes in working capital per common share[1] – basic ($)	0.35	0.06	0.95	0.05

[2] Q2 2021 includes $30.0 million gold stream proceeds and 2021 YTD includes $180.0 million silver and gold stream proceeds.

	June 30, 2021	December 31, 2020
Total assets ($ millions)	1,581.4	1,391.6
Long term debt (excluding financing fees) ($ millions)	–	184.9
Total non-current financial liabilities ($ millions)	79.8	183.6
Total non-current liabilities ($ millions)	506.2	408.5
Cash and cash equivalents and short-term investments ($ millions)	171.5	60.0
Net cash/(debt)[1] ($ millions)	171.5	(124.9)

CORPORATE UPDATE

PV3 Optimization Update

PV3 Optimization Phase 1 work was completed in 2020. Phase 1 work included improved blast fragmentation processes, installation of a new secondary crusher and screen decks as well as a new mill shell. As a result, Pinto Valley was able to reliably achieve throughput of 57k to 58k tpd for multiple quarters.

Phase 2 of the PV3 Optimization work continued during Q2 2021. Capital was invested into tailings management, pumping upgrades and installation of a new ball mill shell and is expected to be completed in the second half of 2021 («H2 2021») with majority of the work completed in July. Phase 2 optimization work further enables the reliability of higher throughput rates at Pinto Valley.

PV4 Study

Work continues on scenarios to take advantage of approximately one billion tonnes of Mineral Resource, not currently in the Mineral Reserve mine plan, which is at similar grade to the current Mineral Reserves at Pinto Valley. The PV4 pre-feasibility study is expected to be released in late 2022 and will contemplate utilizing existing mill infrastructure rather than building new to achieve higher mining and milling rates, higher cut-off grades to the mill and increased tonnage available for leaching. Extensive column leach test work in collaboration with Jetti Resources LLC («Jetti») has commenced and will continue through early 2022. Jetti's novel patented catalytic technology allows for the efficient and effective heap and stockpile leach extraction of copper and has been a success at Pinto Valley's

leaching operation, where we expect to recover up to 350 million pounds of cathode copper over the next two decades from historic and new mineralized waste piles on the existing PV3 pit shell. Capstone is a pioneer in the application of this leach technology, and we intend to use it to enhance the economics of a future expansion at Pinto Valley.

Eriez HydroFloat

In December 2020, a pilot plant test demonstrated that a 6% to 8% increase in overall copper recovery is possible with the installation of this coarse particle flotation technology at Pinto Valley. Additional benefits include the potential to increase throughput by operating at a coarser grind size, potentially lowering power costs, and providing options to improve water consumption and tailings management benefits.

Work continued on an internal feasibility study for Eriez HydroFloat coarse particle flotation. It was determined that additional engineering is required to incorporate Eriez HydroFloat with the PV4 feasibility study allowing for improved capital integration through potential synergies with tailings management. Current capital estimate of approximately $90 million includes additional regrind milling capacity and this will be further refined as part of the PV4 study.

Pyrite Agglomeration

Pinto Valley is studying the potential to add a pyrite agglomeration circuit to the dump leach process. Currently, the copper concentrate cleaner circuit tailings contain ~0.2% Cu and significant pyrite mineral in a slurry containing up to ~3,000 tpd solids. This material can be introduced into heap leach operations to produce numerous benefits including the following:

1. Leaching the copper contained in tailings for added copper recovery;
2. Oxidation of the pyrite generates free acid and would offset the requirement to purchase sulfuric acid for leaching;
3. Diverting this material from tailings disposition could enable higher milling rates coupled with ESG benefits from reduced water consumption and a significant reduction in acid generating minerals reporting to tailings.

Restart of Molybdenum Production at Pinto Valley

Due to favourable market conditions where year-to-date molybdenum prices have nearly doubled to over $18 per pound in July, Pinto Valley has commenced restart plans to ramp up production of molybdenum over H2 2021. New reagents will be tested with upgrades to pumping equipment to enhance recovery. Production guidance will be given following successful ramp-up over the next two quarters.

Santo Domingo Project

Following consolidation of Capstone's 100% ownership of the Santo Domingo Project («Santo Domingo» or «the Project») in Region III, Chile during Q1 2021, the Company continued to advance the project on several fronts:

- Negotiations for strategic partnerships and financing for Santo Domingo's development are advancing well and are expected to be finalized in Q3 2021. Santo Domingo is currently the only fully permitted copper-iron project in Chile.
- The Company and its partner, Puerto Ventanas, are working to finalize the port services agreement and evaluating opportunities to optimize the Santo Domingo project by replacing the iron pipeline with a rail option.
- With respect to potential increases in the Chilean mining royalty tax, Santo Domingo is expected to be protected given the fact the Company retains a foreign investment contract with the state of Chile, which fell under the provisions of DL600. One of the benefits to the Company of this agreement is a tax invariability

system for a period of 15 years post commercial production, 15 years represents the majority of the 18-year reserve mine life in the 2020 PEA. As described in the 2020 Technical Report, for the period covered by the tax invariability system, the Company expects that applicable taxes will include a category 1 income tax (27%) and the existing royalty, which is a sliding scale between 5-14%, depending on operating margins.

- The cobalt feasibility study announced in Q1 2021 is progressing according to schedule. A geochemical model has been developed to quantify pyrite-cobalt distribution throughout the orebody, which guided the location of drillholes of the current drilling campaign from which more samples will be obtained for further plant optimization test work. The drilling campaign started in May 2021 with 8,500m of exploration drilling and continued into early July with 7,600m of geometallurgical drilling. The latter will deliver 6,000m of PQ-sized core samples to be used for the development of a 3D geometallurgical pyrite-cobalt flotation model and for confirmative testing with yearly composites according to mine plan. This will allow the Santo Domingo team to refine both the pyrite oxidation process and the downstream hydrometallurgical options to produce battery-grade cobalt sulphate. In parallel, engineering activities will continue to bring cobalt plant design from the current Preliminary Economic Assessment to Feasibility Study level during 2022 including several trade-off studies at process level pyrite oxidation and cobalt pregnant leaching solution purification. The Santo Domingo cobalt project is expected to result in one of the lowest cost cobalt producers outside of the Democratic Republic of Congo[3]. The feasibility study is scheduled for completion in late 2022. The production of battery-grade cobalt sulphate at Santo Domingo is expected to significantly add to the robust copper-iron-gold project and maximizes the recovery of future-facing metals from the rich resource. The work program will consist of two phases and several stage-gates. Following the Phase 1 work program, Capstone expects to provide an update to the market on metallurgy work, process flowsheet design and updated cobalt reserves and resources in Q1-2022. The feasibility report is expected by Q4 2022 with construction to start in 2023 or 2024 following permitting. The integration of the cobalt project with the copper-iron concentrator has been designed so that the cobalt plant can be built later than the copper concentrator.

[3] Darton Commodities Limited (2020-2021 Cobalt Market Review)

CONFERENCE CALL AND WEBCAST DETAILS

Capstone will host a conference call and webcast on Wednesday, July 28, 2021 at 08:30 am PT / 11:30 am ET.

Link to the audio webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1473032&tp_key=6c0969ad6e

Dial-in numbers for the audio-only portion of the conference call are below. Due to an increase in call volume, please dial-in at least five minutes prior to the call to ensure placement into the conference line on time.

- Toronto: (+1) 416-764-8650
- Vancouver: (+1) 778-383-7413
- North America toll free: 888-664-6383
- Confirmation #21773965

A replay of the conference call will be available until August 4, 2021. Dial-in numbers for Toronto: (+1) 416-764-8677 and North American toll free: 888-390-0541. The replay code is 773965#. Following the replay, an audio file will be available on Capstone's website at: https://capstonemining.com/investors/events-and-presentations/default.aspx.

This release is not suitable on a standalone basis for readers unfamiliar with Capstone and should be read in conjunction with the Company's MD&A and Financial Statements for the three and six months ended June 30, 2021, which are available on Capstone's website and on SEDAR, all of which have been reviewed and approved by Capstone's Board of Directors.

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 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 100% of Santo Domingo, a large scale, fully permitted, copper-iron-gold project in Region III, Chile, 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. Our headquarters are in Vancouver, Canada and we are listed on the Toronto Stock Exchange (TSX) under the symbol CS.

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 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 and the impacts of the ongoing and evolving COVID-19 pandemic. Forward-looking statements include, but are not limited to, statements with respect to the estimation of Mineral Resources and Mineral Reserves, the expected timing, operations and success of the underground paste backfill system study and tailings filtration project at Cozamin, the success of the Pinto Valley HydroFloat project, the outcome and timing of the PV4 study, the timing and success of our use of the Jetti Technology, the successful completion of a port agreement with Puerto Ventanas and/or rail agreement with Sigdo Kopper's rail business, the success of our strategic process for the Santo Domingo project, the expected reduction in capital requirements for the Santo Domingo Project, the timing and success of the Cobalt Study for Santo Domingo, the timing and success of the PV3 Optimization project, the realization of Mineral Reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures and reclamation, the success of our mining operations, the success of mineral exploration, the estimations for potential quantities and grade of inferred resources and exploration targets, Capstone's ability to fund future exploration activities, Capstone's ability to finance the Santo Domingo project, environmental risks, unanticipated reclamation expenses and title disputes. The potential effects of the COVID-19 pandemic on our business and operations are unknown at this time, including Capstone's ability to manage challenges and restrictions arising from COVID-19 in the communities in which Capstone operates and our ability to continue to safely operate and to safely return our business to normal operations. The impact of COVID-19 to Capstone is dependent on a number of factors outside of our control and knowledge, including the effectiveness of the measures taken by public health and governmental authorities to combat the spread of the disease, global economic uncertainties and outlook due to the disease, and the evolving restrictions relating to mining activities and to travel in certain jurisdictions in which we operate.

In certain cases, forward-looking statements can be identified by the use of words such as «anticipates», «approximately», «believes», «budget», «estimates», expects», «forecasts», «guidance», intends», «plans», «scheduled», «target», or variations of such words and phrases, or statements that certain actions, events or results «be achieved», «could», «may», «might», «occur», «should», «will be taken» or «would» or the negative of these terms or comparable terminology. In this document certain forward-looking statements are identified by words including «anticipated», «expected», «guidance» and «plan». 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 and closure of mining projects, future prices of copper and other metals, compliance with financial covenants, surety bonding, our ability to raise capital, Capstone's ability to acquire properties for growth, counterparty risks associated with sales of our metals, use of financial derivative instruments and associated counterparty risks, foreign currency exchange rate fluctuations, market access restrictions or tariffs, changes in general economic conditions, availability of water, 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, licenses and permits from governmental authorities and potential legal challenges to permit applications, contractual risks including but not limited to, our ability to meet the completion test requirements under the Cozamin Silver Stream Agreement with Wheaton Precious Metals, our ability to meet certain closing conditions under the Santo Domingo Gold Stream Agreement with Wheaton Precious Metals, acting as Indemnitor for Minto Exploration Ltd.'s surety bond obligations post divestiture, impact of climate change and changes to climatic conditions at our Pinto Valley and Cozamin operations and Santo Domingo project, changes in regulatory requirements and policy related to climate change and GHG emissions, land reclamation and mine closure obligations, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of Capstone relating to the unknown duration and impact of the COVID-19 pandemic, uncertainties and risks related to the potential development of the Santo Domingo Project, increased operating and capital costs, increased cost of reclamation, challenges to title to our mineral properties, increased taxes in jurisdictions the Company operates or is subject to tax, changes in tax regimes we are subject to and any changes in law or interpretation of law may be difficult to react to in an efficient manner, 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 including but not limited to competition for skilled labour, risks associated with joint venture partners, our ability to integrate new acquisitions and new technology into our operations, cybersecurity threats, legal proceedings, the volatility of the price of the Common Shares, the uncertainty of maintaining a liquid trading market for the Common Shares, risks related to dilution to existing shareholders if stock options or other convertible securities are exercised, the history of Capstone with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future, and sales of Common Shares by existing shareholders can reduce trading 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 MD&A of those statements and Annual Information Form, 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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

As a British Columbia corporation and a «reporting issuer» under Canadian securities laws, we are required to provide disclosure regarding our mineral properties in accordance with Canadian National Instrument 43-101 –

Standards of Disclosure for Mineral Projects («NI 43-101»). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, we use the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the «CIM Definition Standards») adopted by the Canadian Institute of Mining, Metallurgy and Petroleum. In particular, the terms «mineral reserve», «proven mineral reserve», «probable mineral reserve», «mineral resource», «measured mineral resource», «indicated mineral resource» and «inferred mineral resource» used in this news release and the documents incorporated by reference herein and therein, are Canadian mining terms defined in accordance with CIM Definition Standards. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this news release and the documents incorporated by reference herein may not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

United States investors are also cautioned that while the SEC will now recognize «measured mineral resources», «indicated mineral resources» and «inferred mineral resources», investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any «measured mineral resources», «indicated mineral resources», or «inferred mineral resources» that we report are or will be economically or legally mineable. Further, «inferred resources» have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of «inferred mineral resources» cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

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, Annual Information Form and news releases (collectively the «Disclosure Documents») available under Capstone Mining Corp.'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.

Disclosure Documents include the National Instrument 43-101 compliant technical reports titled «NI 43-101 Technical Report on the Cozamin Mine, Zacatecas, Mexico» effective October 23, 2020, «Pinto Valley Mine Life Extension – Phase 3 (PV3) Pre-Feasibility Study» effective January 1, 2016 and «Santo Domingo Project, Region III, Chile, NI 43-101 Technical Report» effective February 19, 2020.

The disclosure of Scientific and Technical Information in this news release was reviewed and approved by Brad Mercer, P. Geol., Senior Vice President and Chief Operating Officer (technical information related to mineral exploration activities and to Mineral Resources at Cozamin), Clay Craig, P.Eng, Manager, Mining & Evaluations (technical information related to Mineral Reserves and Mineral Resources at Pinto Valley), Tucker Jensen, Superintendent Mine Operations, P.Eng (technical information related to Mineral Reserves at Cozamin) and Albert Garcia III, PE, Vice President, Projects (technical information related to project updates at Santo Domingo) all

Qualified Persons under NI 43-101.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this news release because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, and to plan and assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Some of these alternative performance measures are presented in Highlights and discussed further in other sections of this document. These measures provide meaningful supplemental information regarding operating results because they exclude certain significant items that are not considered indicative of future financial trends either by nature or amount. As a result, these items are excluded for management assessment of operational performance and preparation of annual budgets. These significant items may include, but are not limited to, restructuring and asset impairment charges, individually significant gains and losses from sales of assets, share based compensation, unrealized gains or losses, and certain items outside the control of management. These items may not be non-recurring. However, excluding these items from GAAP or Non-GAAP results allows for a consistent understanding of the Company's consolidated financial performance when performing a multi-period assessment including assessing the likelihood of future results. Accordingly, these Non-GAAP financial measures may provide insight to investors and other external users of the Company's consolidated financial information.

C1 Cash Costs Per Payable Pound of Copper Produced

C1 cash costs per payable pound of copper produced is net of by-product credits and is a key performance measure that management uses to monitor performance. Management uses this measure to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations and assumes that realized by-product prices are consistent with those prevailing during the reporting period.

Net debt/Net cash

Net debt/Net cash is a performance measure used by the Company to assess its financial position and is comprised of Long term debt (excluding deferred financing costs), Cash and cash equivalents and Short term investments.

Operating Cash Flow before Working Capital Changes per Common Share

Operating Cash Flow before working capital changes per common share is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company.

Adjusted Net Income (Loss)

Adjusted net income (loss) is net income (loss) attributable to shareholders as reported, adjusted for certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis.

EBITDA

EBITDA is net income (loss) attributable to shareholders before net finance expense, tax expense, and depletion and amortization.

Adjusted EBITDA

Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments made to adjusted net income (above) as well as certain other adjustments required under the Company's RCF agreement in the determination of EBITDA for covenant calculation purposes.

The adjustments made to Adjusted net income (loss) and adjusted EBITDA allow management and readers to analyze our results more clearly and understand the cash generating potential of the Company.

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For further information:

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