NEWS RELEASE

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Capstone Announces Closing of $150 Million Silver Stream Agreement with Wheaton Precious Metals; Achieves Net Cash Position

February 19, 2021

(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 closed the previously announced Precious Metals Purchase Agreement (the “Stream Agreement”) with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp. (collectively, “Wheaton”). All conditions to complete the Stream Agreement have been fulfilled and Capstone has received $150 million from Wheaton 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”). Wheaton will make ongoing payments equal to 10% of the spot silver price at the time of delivery for each ounce delivered to them.

“With a current net cash position, this transaction gives Capstone one of the strongest balance sheets amongst its peers,” said Darren Pylot, President & CEO of Capstone. “Additionally, we are expecting around one billion dollars of after-tax operating cash flow over the next three years in the current $4.00 copper price environment. We look forward to strengthening our partnership with Wheaton as we continue advanced discussions for a potential gold stream on Santo Domingo.”

For more details on the Stream Agreement, please refer to Capstone’s news release of December 11, 2020 available at https://capstonemining.com/news/2020/default.aspx.

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 future copper price and cash flow expectations, 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.

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, news releases and MD&A's (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.

The Technical Information in this news release has been prepared in accordance with definitions and best practices referenced in NI 43-101 and reviewed and approved by Brad Mercer, P. Geol., Capstone’s Senior Vice President and Chief Operating Officer, a Qualified Person and the person who oversees exploration activities on the Cozamin Mine property.

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