



# Q3 2020: GROWTH AND INNOVATION

OCTOBER 2020



# Participants On Today's Call



**Darren Pylot**  
President and CEO



**Raman Randhawa**  
SVP and CFO



**Brad Mercer**  
SVP, Exploration and  
Operations



**Mike Wickersham**  
Mine GM, Pinto Valley



**Jerrold Annett**  
VP, Strategy and  
Capital Markets

# Cautionary Notes

## CAUTIONARY NOTE ON 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 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, the continuing success of mineral exploration, Capstone’s ability to fund future exploration activities, 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 “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 “anticipated”, “guidance”, “plan” 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 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, 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, acting as Indemnitor for Minto Exploration Ltd.’s surety bond obligations post divestiture, impact of climatic conditions on our Pinto Valley and Cozamin operations, aboriginal title claims and rights to consultation and accommodation, 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, 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](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.

## ALTERNATIVE PERFORMANCE MEASURES

“C1 cash cost”, “cash cost”, “adjusted EBITDA”, “operating cash flow before changes in working capital”, “adjusted net income”, “net debt”, “all-in sustaining costs”, “all-in costs” and “available liquidity” are Alternative Performance Measures. Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this presentation because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, to plan and to 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. For full information, please refer to the Company’s latest Management Discussion and Analysis published on its [Financial Reporting](#) webpage or on SEDAR.

## CURRENCY

All amounts are in US\$ unless otherwise specified.

## COMPLIANCE WITH NI 43-101

Unless otherwise indicated, Capstone has prepared the technical information in this presentation (“Technical Information”) based on information contained in the technical reports and news releases (collectively the “Disclosure Documents”) available under Capstone Mining Corp.’s company profile on SEDAR at [www.sedar.com](http://www.sedar.com). Each Disclosure Document was prepared by or under the supervision of a qualified person (a “Qualified Person” or “QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). For readers to fully understand the information in this presentation, they should read the Technical Reports (available on [www.sedar.com](http://www.sedar.com)) in their entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this presentation 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. For further details refer to the Company’s NI 43-101 Technical Reports as follows:

- Cozamin Mine, Zacatecas, Mexico published Oct 23, 2020, effective Apr 30, 2020;
- Pinto Valley Mine Life Extension – Phase 3 (PV3) Pre-feasibility Study, Miami, Arizona, published Feb 23, 2016, effective Jan 1, 2016; and
- Santo Domingo Project, Region III, Chile, Feasibility Study Update, published Mar 24, 2020, effective Feb 19, 2020.

The Technical Information in this presentation has been prepared in accordance with NI 43-101 and reviewed and approved by Brad Mercer, P. Geol., Capstone’s Senior Vice President, Operations and Exploration, a Qualified Person as defined in NI 43-101.

## ADDITIONAL REFERENCE MATERIALS

Refer to the Company’s news release of October 28, 2020 and MD&A and Financial Statements for the three and nine months ended September 30, 2020, for full details to the information referenced throughout this presentation.

## ON THE COVER PAGE (L to R)

1. Abel Gonzalez Vargas, General Manager, Cozamin Mine.
2. Copper cathode at Pinto Valley ready for shipment. Cathode expansion using new catalytic technology to recover copper from waste rock; expecting 300-350 Mlbs cathode production over next 20 years.
3. Pinto Valley recently revamped their loading fleet by purchasing a CAT 994K loader to use in place of one of their Hitachi 5600 shovels. The loader was put into use in July 2020 and will displace about 2,800 shovel hours in H2 2020. The loader will be cheaper for component replacements and maintenance work in years to come, and is only about 60% of the purchase price of the shovel. While productivity was expected to drop off, the loader has seen comparable truck loading times to the shovel. The loader has shown to be sized appropriately for the mine’s bench heights and mining widths. The loader burns 41 less gallons of fuel per hour than the shovel, both saving on operational costs and reduce CO2 emissions. The improved efficiency will save approximately 116,000 gallons of fuel in 2020. PV is looking to invest in a second loader in 2021, as two loaders are expected to displace approximately 10,000 shovel hours a year, which should save approximately 410,000 gallons of fuel and millions in maintenance costs.

# Q3 2020 Results

	Q3 2020	YTD 2020
<b>Copper production (million pounds)</b>		
Pinto Valley	27.9	84.9
Cozamin	10.6	27.6
<b>Total</b>	<b>38.5</b>	<b>112.5</b>
<b>C1 cash costs<sup>1</sup> (\$/lb.) produced</b>		
Pinto Valley	\$2.38	\$2.30
Cozamin	\$0.36	\$0.71
<b>Consolidated</b>	<b>\$1.82</b>	<b>\$1.91</b>

**2020 CONSOLIDATED  
GUIDANCE ON TRACK**

**140 – 155**

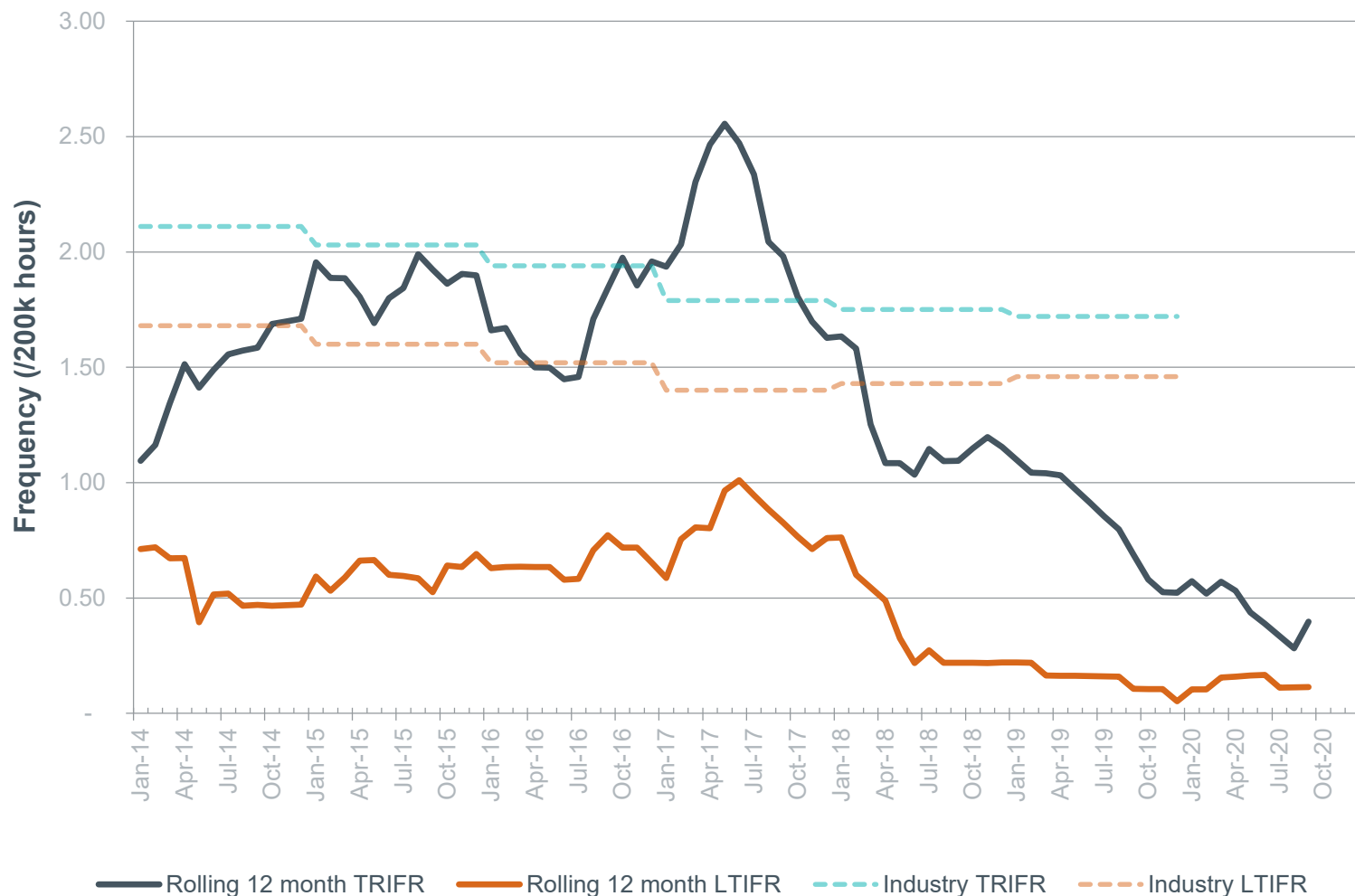
million pounds of copper production

**\$1.85 - \$2.00**

C1 cash costs<sup>1</sup>

# Safety Performance

## Consolidated Safety Performance



## KEY INITIATIVES

- Health Clinic established at Pinto Valley in June 2017 improving case management
- Ongoing training at all levels "Values in Action" and "Leadership in Action"
- Reward Points System encourages reporting unsafe acts and conditions
- Declining Lagging Indicator curves
- Adopted system of Leading Indicators in 2020
- Continuous improvement in 2020
  - Investment in remote equipment
  - Critical Task Inventory and SOP overhaul
  - Planned investment in fatigue monitoring systems at PV and personal underground location tracking system at Cozamin

# 2020 Value Drivers

## Completed This Year

- ✓ Relunched ESG-sustainability reporting
- ✓ Pinto Valley safely completed 60% of Phase 1 PV3 Optimization towards expected 10% production growth and 10% lower costs by 2021
- ✓ Pioneered catalytic leaching technology to significantly increase cathode production at Pinto Valley
- ✓ Cozamin updated Technical Report increasing Proven and Probable Reserves by 97%
- ✓ Entered into MOU for Santo Domingo infrastructure sharing and advancing strategic process negotiations
- ✓ Released a robust PEA opportunity for cobalt production at Santo Domingo

## On Target

- ❑ ~40% copper and ~20% silver equivalent production growth and ~20% lower costs by 2023
  - ❑ Cozamin underground expansion completion in Dec 2020
  - ❑ Cozamin pillar extraction PFS results, will be included in updated technical report in January 2021
  - ❑ PV3 Optimization balance of Phase 1 and Phase 2, plus cathode expansion
- ❑ PV3 Optimization (H1 2021) and PV4 Expansion (2022) studies looking to innovation
  - ❑ Blast fragmentation and new mine equipment
  - ❑ Expanded use of catalytic leaching technology (Jetti Resources)
  - ❑ Coarse particle flotation (Eriez HydroFloat)
  - ❑ Tailings management
- ❑ Santo Domingo strategic process
  - ❑ Sign a strategic partner and complete financing H1 2021
  - ❑ Transition from early works to major construction H2 2021

# Q3 2020 Financial Results and Balance Sheet Strength

FINANCIAL OVERVIEW (US\$ millions)	Q3 2020	YTD 2020
Revenue	130.5	305.6
Net income (loss)	2.3	(15.3)
Adjusted net income (loss) <sup>1</sup>	9.5	(8.7)
Adjusted EBITDA from continuing operations <sup>1,2,3</sup>	51.6	75.7
Cash flow from operating activities	27.7	79.8
Operating cash flow before changes in working capital <sup>1</sup>	44.9	65.6

**\$136.9M**

Available liquidity<sup>1</sup> as of Sept 30/20

**\$0.09**

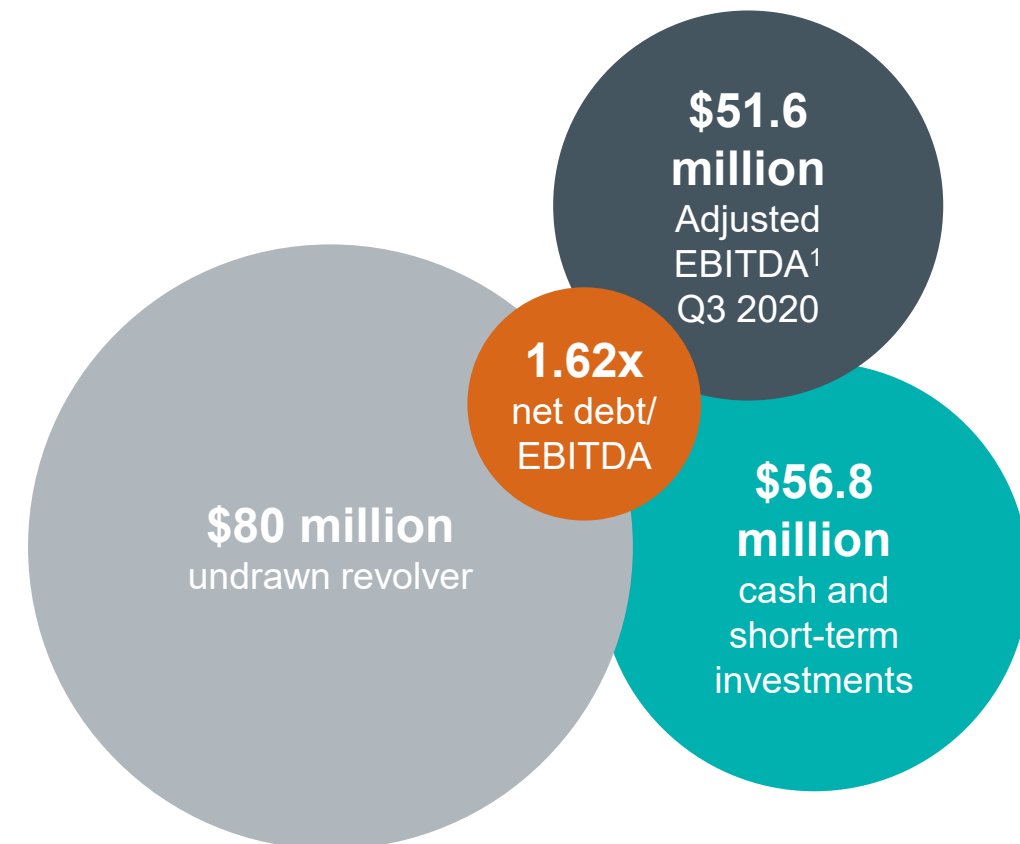
G&A per pound payable\*

**\$3.1M**

Interest paid in Q3 2020\*\*

**\$0.08**

Interest per pound payable\*\*



**75 basis points reduction in interest pricing results in ~\$2 million per year annualized savings on interest expense**

1. These are alternative performance measures; refer to the Company's MD&A for the three and nine months ended Sept 30, 2020 for full details.

2. EBITDA is earnings before interest, taxes, depletion and amortization.

3. From continuing operations, used as the Minto mine was sold on June 3, 2019.

\* For the nine months ended September 30, 2020. \*\*For the three months ended September 30, 2020.

# Sensitivity to Higher Copper Prices

Sensitivity Analysis (\$ millions)	2021E	2022E	2023E
<b>EBITDA</b>			
Cu \$3.00/lb, Ag \$22.00/oz	\$215	\$300	\$315
Cu \$3.25/lb, Ag \$22.00/oz	\$260	\$350	\$370
Cu \$3.00/lb, Ag \$24.50/oz	\$220	\$307	\$322
<b>EBITDA Sensitivity</b>			
Copper +/- \$0.25/lb	\$45	\$50	\$55
Silver +/- \$2.50/oz	\$5	\$7	\$7



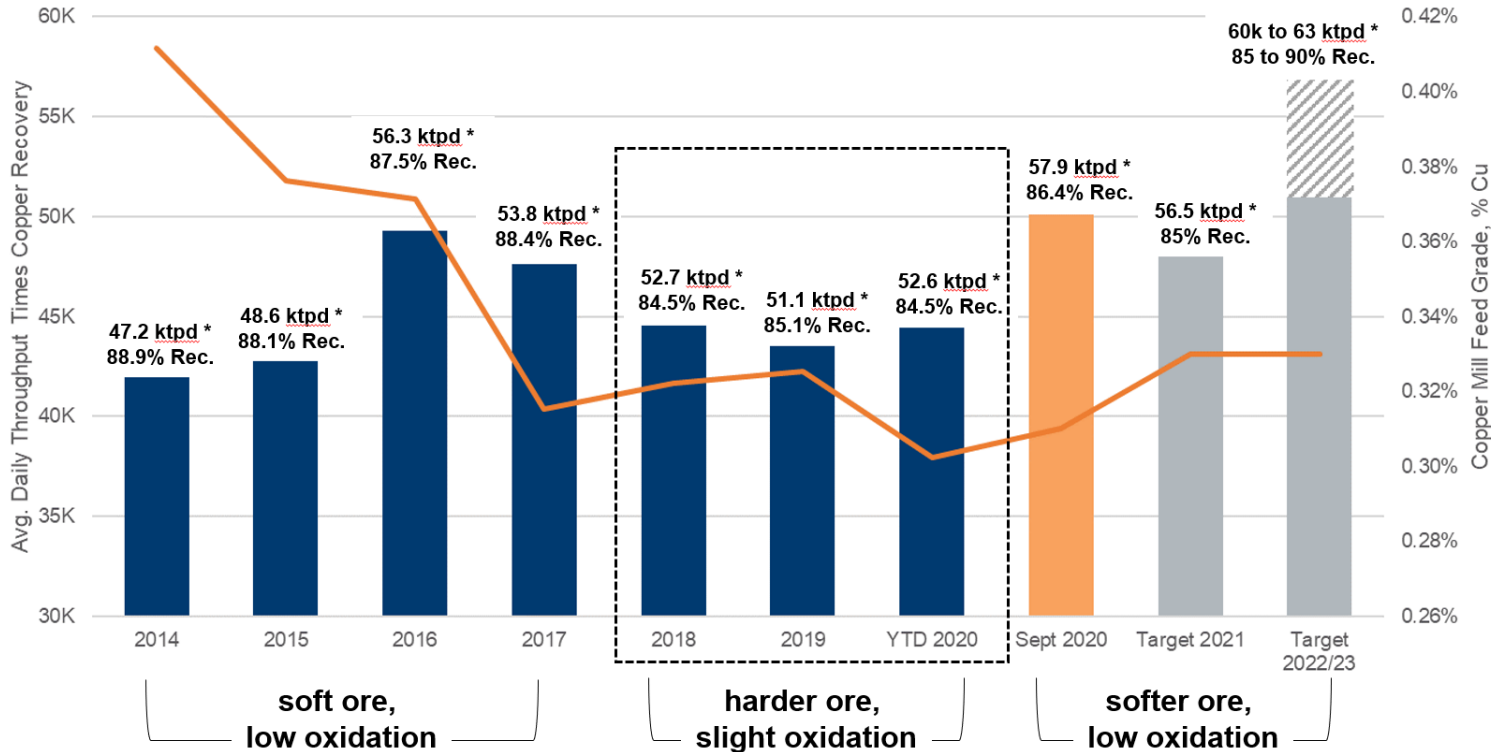
A man wearing a white hard hat with a red stripe, safety glasses, and an orange safety vest over a light blue shirt. He is holding a tablet computer and looking towards the camera. The background shows an industrial facility with metal structures and a large tank containing a bubbling liquid.

# Optimization, Innovation and Expansion at Pinto Valley

Umut Erol, Metallurgy, Lab and Process  
Control Superintendent, Pinto Valley

# Targeting Higher Throughput AND Higher Recovery

Pinto Valley Average Daily Throughput Adjusted for Copper Recovery



**PHASE 1:** \$17 million in crushing and mill equipment replacements which is 60% completed, with full completion expected by July 2021.

**PHASE 2:** \$10 million in conveyor, mill auto controls, cyclone packs and tailings thickener upgrades planned to be completed by Q3 2021.

**TAILINGS MANAGEMENT:** Third party study to review path for increased tailings safety and capacity. Completion by H1 2021.

## MINE INNOVATION:

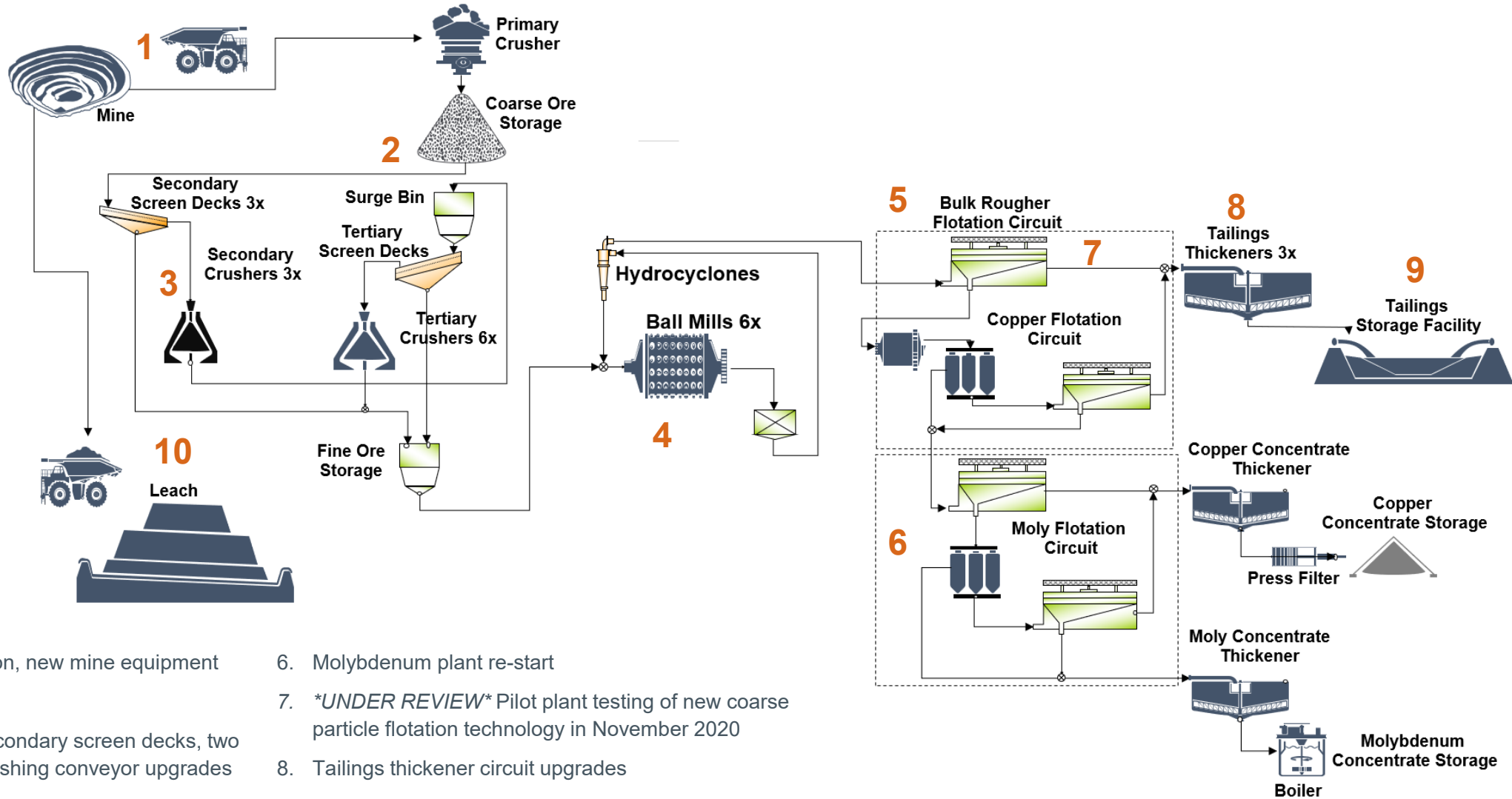
- ✓ Blast fragmentation to target 30% fines (minus 1/2").
- ✓ Tele-remote dozer to increase worker safety for high risk applications. Capital of \$250k.
- ✓ New mine equipment to increase efficiency while lowering diesel consumption and GHG emissions. Capital of \$6M with ~\$800k/year in diesel and operating cost savings.

## METALLURGICAL INNOVATION:

- ✓ Pioneering novel catalytic leaching technology from Jetti Resources, expected to deliver 300-350 Mlbs copper over 20 years from high grade mine waste and historic stockpiles at AISC under \$2.00 per pound. Capital <\$25M between 2022 to 2025.
- ☐ Pilot plant testing of new coarse particle flotation technology by Eriez HydroFloat to potentially increase overall recovery by 6%. Pilot plant testing in Nov 2020.
- ☐ Molybdenum plant re-start with new reagents to improve worker safety and improve overall metallurgical performance. Minimal capital required, expected completion by Q1 2021.

# PV3 Optimization – From Start to Finish

A focus on return on incremental invested capital, while improving environmental and safety performance

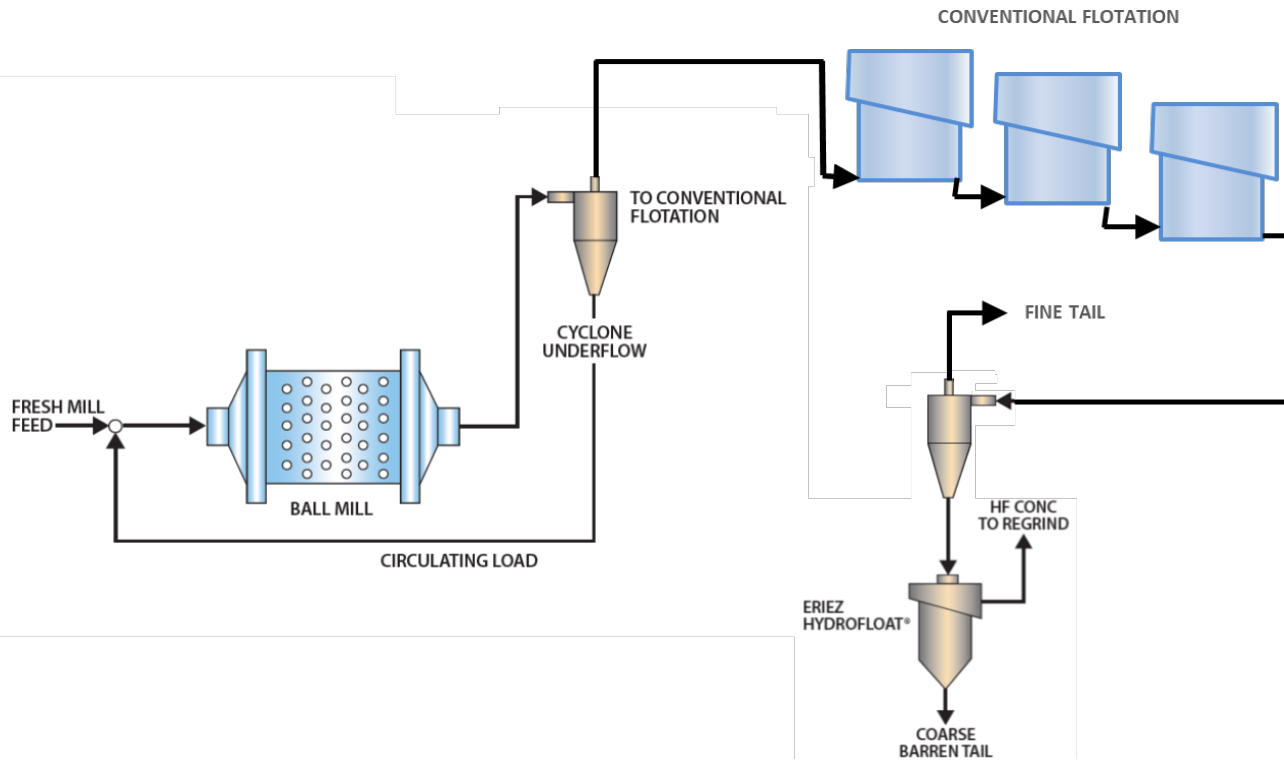


1. Blast fragmentation optimization, new mine equipment
2. Tele-remote dozer
3. Fine Crushing Plant: larger secondary screen decks, two larger secondary crushers, crushing conveyor upgrades
4. Mill auto controls, four new ball mill shells, new hydrocyclones, *UNDER REVIEW* new mill motors to increase power efficiency and capacity
5. Rougher concentrate pumping capacity upgrade

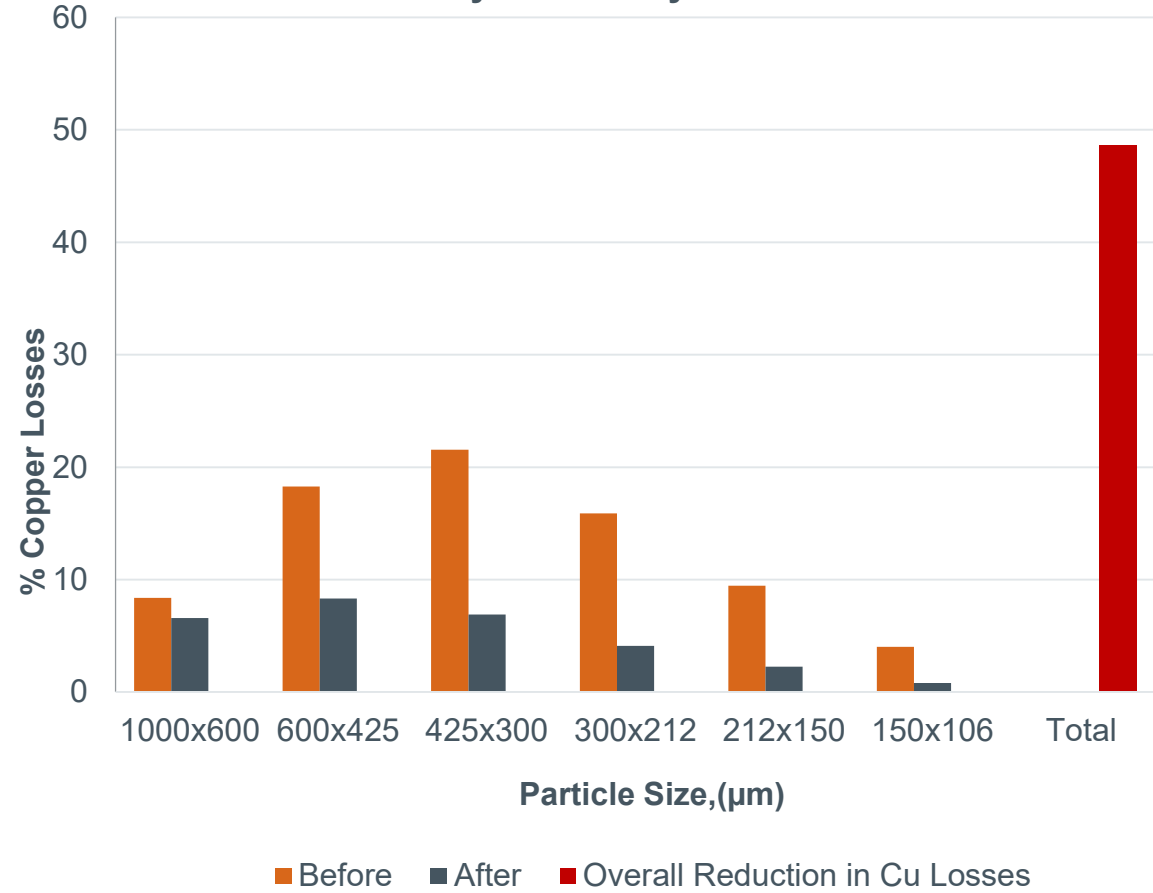
6. Molybdenum plant re-start
7. *UNDER REVIEW* Pilot plant testing of new coarse particle flotation technology in November 2020
8. Tailings thickener circuit upgrades
9. *UNDER REVIEW* third party study to review Tailings Storage Facility for increased safety and capacity
10. Pioneering novel catalytic leaching technology from Jetti Resources to enhance leach performance

# Pilot Plant Testing Coarse Particle Flotation Technology

Opportunity to Increase Overall Copper Recovery by 6%



Copper Losses Distribution Before and After HydroFloat Laboratory Results by Eriez Flotation



Eriez Flotation, a world leader in innovative flotation technology has developed a fluidized bed assisted flotation cell call HydroFloat.

Positive laboratory results on Pinto Valley flotation circuit samples, Eriez reported an opportunity to reduce copper losses by up to 50%, thereby boosting overall recovery by up to 6%.

Pilot plant testing will commence in November 2020 with results expected in Q1 2021. Potential benefits include higher mill throughput while achieving higher copper recovery, lower grinding costs, lower water and energy consumption and increased tailings stability via courser tailings.

# Pinto Valley: An Exciting Future

A long-life, multi-generational mine currently focused on innovation and optimization to surface value for our stakeholders

**2020**

## Innovation

Ramp up of copper cathode production by pioneering a novel catalytic technology from Jetti Resources, targeting leaching of copper in high grade waste and historic stockpiles

Pilot plant testing coarse particle flotation technology in Nov 2020

Blast fragmentation

New mine equipment

**2021**

## PV3 Optimization Study

Expected 10% production growth and 10% lower costs. Target of ~10% upside by 2022/23. Study scheduled for release in H1 2021.

## NI 43-101 Technical Report Update

in H2 2021

**2022-2023**

## PV4 Expansion Study

PV4 Expansion evaluating scenarios for increased mining rates, higher mill grades and increased leaching. Scheduled for release in 2022.

**2039+**

**~20 years mine life with extension and production**

## expansion potential

Current mine life to 2039; total Reserve Estimate<sup>1</sup> of 399 million tonnes grading at 0.31% copper.

Mineral Resource Estimate as at December 31, 2019

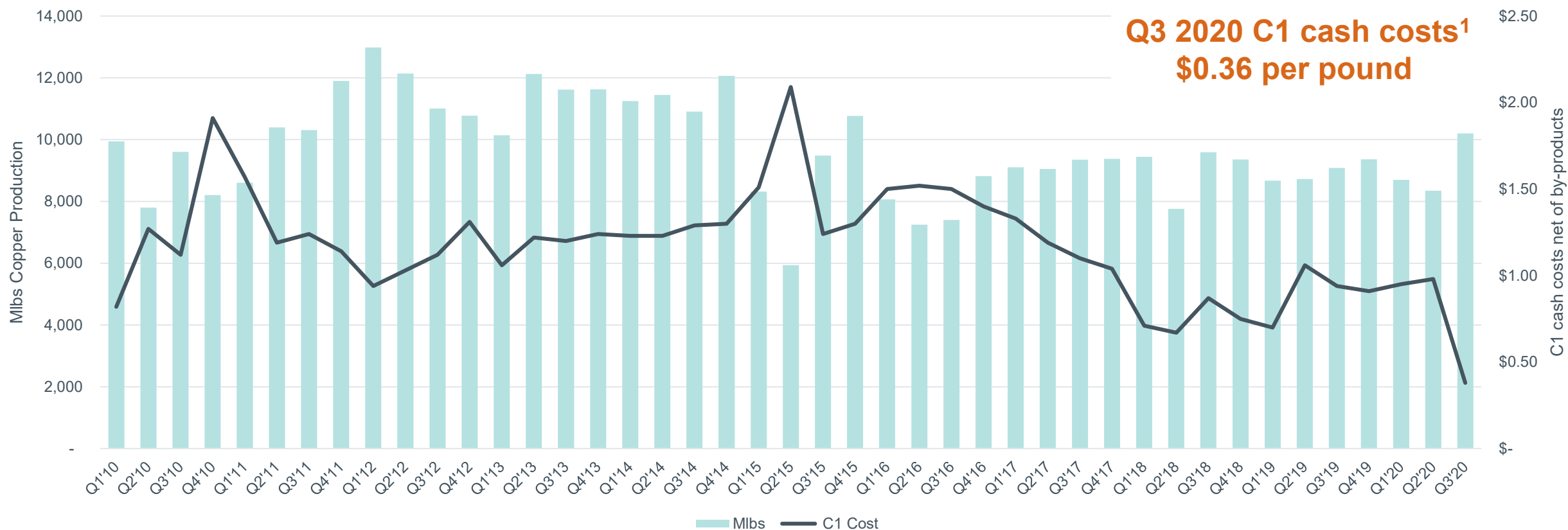
(metric units)	Mineral Resources at 0.17% Cu Cutoff (Inclusive of Mineral Reserves)		
	Tonnes (million)	Cu (%)	Mo (%)
Measured (M)	567	0.33	0.006
Indicated (I)	791	0.28	0.005
<b>Total M + I</b>	<b>1,357</b>	<b>0.30</b>	<b>0.005</b>
Inferred	176	0.25	0.005

1. See Appendix slide "Pinto Valley Reserves and Resources" or the Company's 2019 Annual Information Form for full details.

# Cozamin: Safer, Greener and Higher Grade



# Q3 2020: Lowest Quarterly C1 Costs<sup>1</sup> in Cozamin's History



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
<b>Quarterly average copper production (Mlbs)*</b>	5,039	6,593	9,206	8,888	10,303	11,727	11,379	11,416	8,626	7,885	9,222	9,039	8,961	<b>9,214</b>
<b>C1 cash costs<sup>1</sup> net of by-products (\$/lb)</b>	\$0.74	\$1.44	\$0.90	\$1.25	\$1.27	\$1.09	\$1.18	\$1.26	\$1.47	\$1.48	\$1.16	\$0.75	\$0.70	<b>\$0.71</b>

\*Commercial production achieved in September 2006 \*\*Year to date to September 30, 2020  
<sup>1</sup>C1 cash costs is an Alternative Performance Measure.

# Cozamin 2021 Catalysts

## One-Way Haulage Loop

Only 31 vertical meters until completion in early December 2020. Ramp up to 1.35 tonnes milled per annum by Q2 2021 on time and budget.

## Paste Backfill and Dry Stack Tailings

PFS of an underground paste backfill system targeting the extraction of up to 3.5 million tonnes of Indicated Mineral Resources grading 1.89% copper and 42 g/t silver remaining in the MNFWZ in unmined pillars. Updated NI 43-101 expected in January 2021.

## Stope Dilution

Reduction with improved engineering, planning, long-hole drill control and optimized explosives design.

## Truckless Headings

Redesign upper areas of Cozamin Reserves to use ore pass, increasing safety and efficiency, while increasing air quality, thereby decreasing ventilation requirements in these areas.

## Further Resource to Reserve Conversion

Exclusive of the pillars and reserves, the Indicated Mineral Resource in the MNFWZ are as follows:

- copper-silver zones totals 7,248 kt of 1.74% copper, 39 g/t silver, and 0.57% zinc
- zinc-lead-silver zones total 3,704 kt of 0.21% copper, 36 g/t silver, 3.12% zinc, and 1.48% lead

Work will be initiated to evaluate alternative mining techniques capable of lower costs and decreased dilution.

## Exploration Upside

### 80-Hole Drill Program Ongoing

Targeting expansion potential of both Vein 10 and Vein 20 to the southeast, both within and external to the last Mineral Resource estimate

Executed an earn-in deal with **Alien Metals Ltd.** for exploration drilling 50 km away from Cozamin's mill, on the Pan American Highway; their Donovan 2 copper-gold project is an undrilled bedrock volcanogenic massive sulphide (VMS)-style discovery



# A Major Step-Forward For Santo Domingo

Sept 16, 2020: Capstone Enters into MOU with Puerto Ventanas S.A. for Rail and Port Facilities at Santo Domingo



# Santo Domingo in the Middle of a Growing Mining District



# Unlocking the Santo Domingo Opportunity

## Significant De-Risking Capital Spend for Santo Domingo

1. Fixed capital costs, turn-key proposal from Posco E&C for mine site infrastructure at below Feasibility estimates
2. MOU with Puerto Ventanas S.A. to potentially transfer \$400 million in capital expenditure for off-site infrastructure
3. Reduced capital spend is \$1.1 billion (100% basis)

## Pathway on Financing the Reduced Capital Estimate

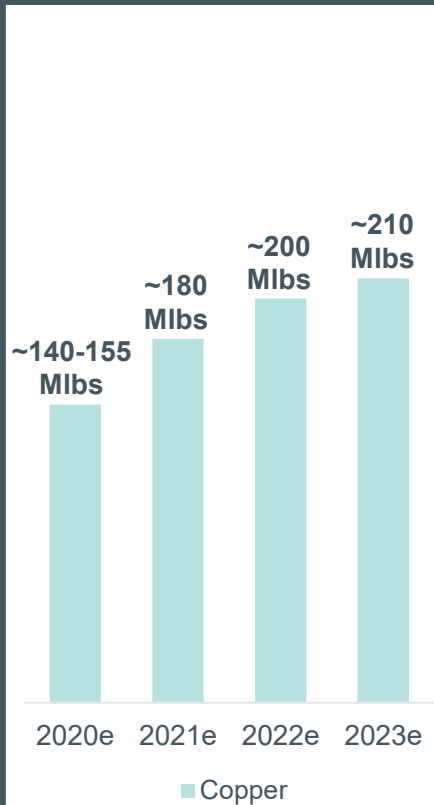
1. **Gold Stream Financing**  
Payable gold over 18 year mine life is 283k ounces (100% basis); gold stream worth ~\$300 million
2. **Project Debt Financing**  
Debt structure assigned to project level for 50% of reduced project capital estimate
3. **Cash Proceeds on Sale of Capstone Interest**  
For a strong partner with a track record of mine building, ramp-up and operational excellence, Capstone would be willing to sell down to below 50%

## Illustrative Pathway to Financing Santo Domingo

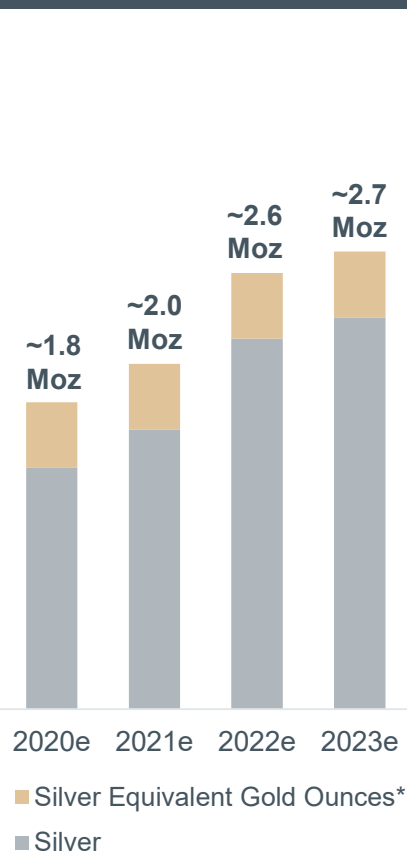
Santo Domingo Financial Plan	\$ Millions
<b>Reduced capital scenario</b>	<b>~\$1,100M</b>
<i>Gold stream financing</i>	<i>(~\$300M)</i>
<b>Capital spend net of gold stream financing</b>	<b>\$800M</b>
<i>Project financing – 50% of project capital</i>	<i>(\$550M)</i>
<b>Remaining balance of capital to be funded @ 100%</b>	<b>\$250M</b>
<b>Capstone portion based on current ownership 70%</b>	<b>\$175M</b>
Potential Capstone cash proceeds on sale of portion of interest	??
<b>Capstone remaining balance required equity contribution</b>	<b>Target is Zero</b>

# 170% EBITDA Growth at \$3 Copper

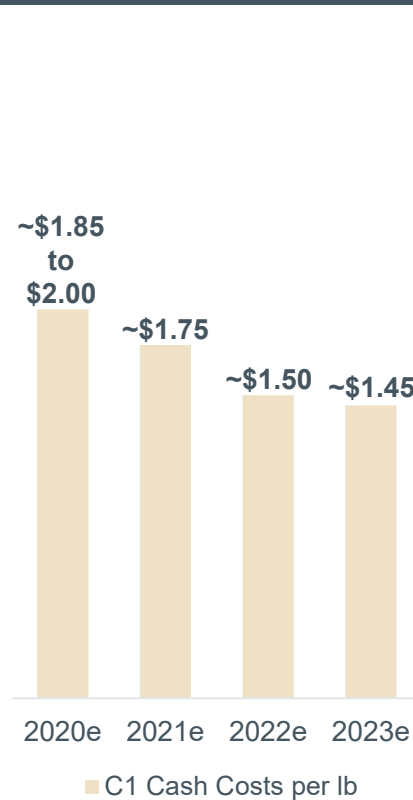
~40% copper production growth



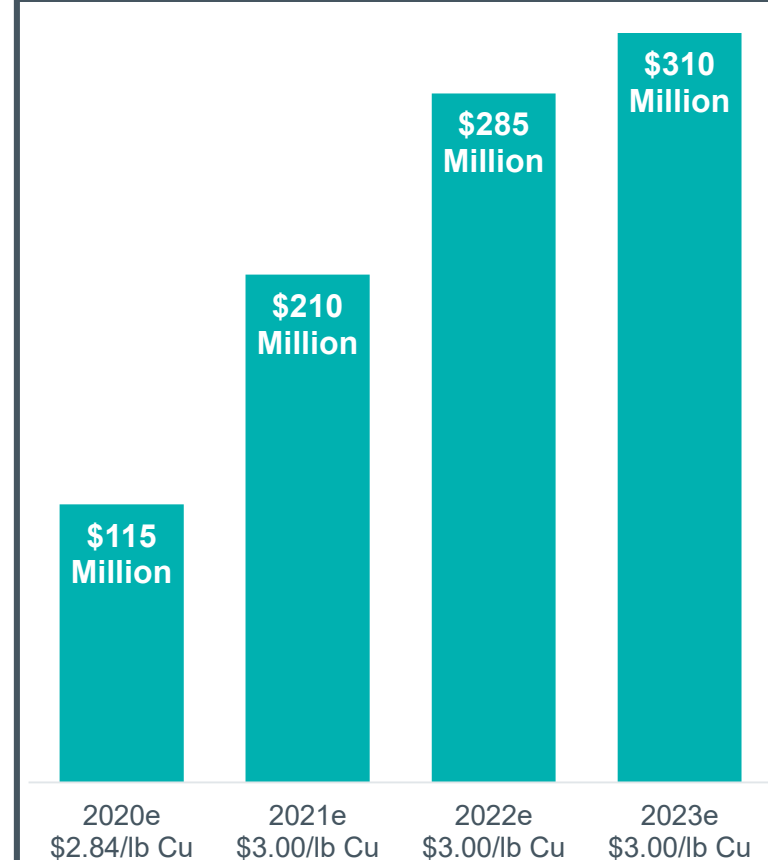
>20% silver equivalent production growth



~20% lower C1 cash costs

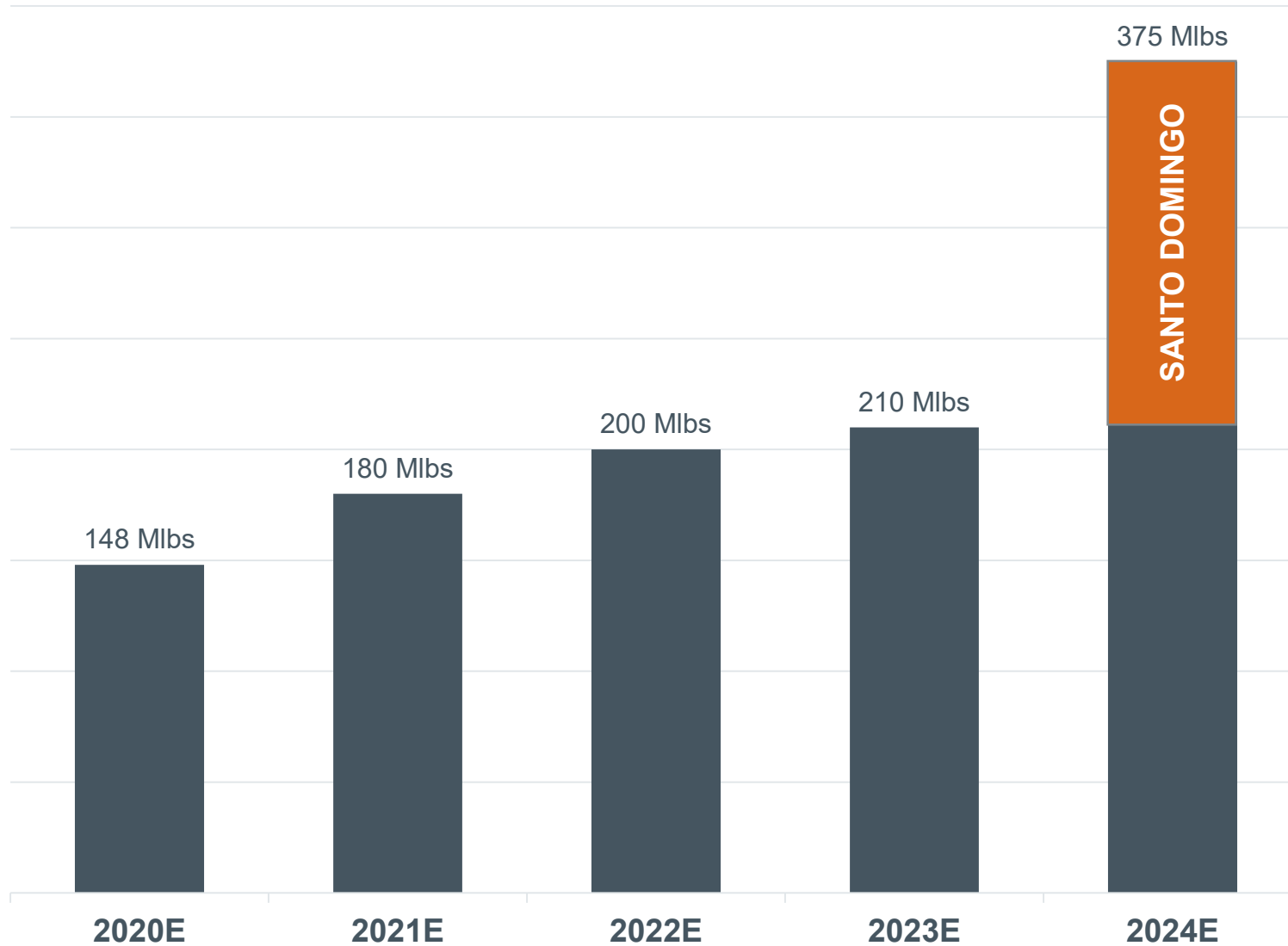


170% EBITDA GROWTH AT \$3.00 COPPER



\*Assumes gold to silver ratio of 78x, \$1,950/oz Au, \$25/oz Ag. Silver and gold ounces are combined Pinto Valley + Cozamin. Copper pricing for EBITDA: Q4 2020 \$3.00/lb (results in \$2.84/lb for full year 2020 avg.). 2021/2022/2023 - \$3.00/lb. C1 cash costs are Alternative Performance Measures; refer to the Company's MD&A for the three and nine months ended September 30, 2020 for full details.

# 2024 Can Be Transformational



**50% of Santo Domingo's expected production after first shipment equates to an additional 165 million pounds of production**



# **APPENDIX**

# Pinto Valley Reserves & Resources

## COPPER

<b>Total Proven &amp; Probable Cu Mineral Reserve</b>	<b>1.24 Mt contained metal (399 Mt @ 0.31% Cu)</b>
<b>Total Measured &amp; Indicated Cu Mineral Resource</b>	<b>4.13 Mt contained metal (1,357 Mt @ 0.30% Cu)</b>
Measured Cu Mineral Resource	1.89 Mt contained metal (567 Mt @ 0.33% Cu)
Indicated Cu Mineral Resource	2.24 Mt contained metal (791 Mt @ 0.28% Cu)
Inferred Cu Mineral Resource	0.43 Mt contained metal (176 Mt @ 0.25% Cu)

## MOLYBDENUM

<b>Total Proven &amp; Probable Mo Mineral Reserve</b>	<b>0.025 Mt contained metal (399 Mt @ 0.006% Mo)</b>
<b>Total Measured &amp; Indicated Mo Mineral Resource</b>	<b>0.074 Mt contained metal (1,357 Mt @ 0.005% Mo)</b>
Inferred Mo Mineral Resource	0.043 Mt contained metal (176 Mt @ 0.005% Mo)

## NOTES

All Mineral Reserves and Mineral Resources as at December 31, 2019. For full information, please refer to the Company's Annual Information Form for December 31, 2019 available on [www.capstonemining.com](http://www.capstonemining.com) or SEDAR.

**Reserves:** Claydon Craig, P.Eng., Superintendent of Mine Technical Services at Pinto Valley is the Qualified Person responsible for the Pinto Valley Mineral Reserves estimate. Economic inputs to the block model were USD\$2.75/lb Cu and USD\$12.50/lb Mo. Mineral Reserves are reported above 0.175% Cu cut-off grade. Summation errors due to rounding. Contained metals are reported at 100%.

**Resources:** Klaus Triebel, CPG., Chief Geologist at Pinto Valley, is the Qualified Person responsible for the Pinto Valley Mineral Resources estimate. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Resources are presented inclusive of Mineral Reserves. Mineral Resources are reported as at December 31, 2019 above a 0.17% Cu cut-off grade. The economic assumptions for the reasonable prospects pit include: \$3.30/lb Cu, \$10.00/lb Mo, 88% Cu recovery, 50% Mo recovery, \$1.50/ton mining costs, \$1.50/ton G&A costs, \$5.00/ton milling costs, and a pit slope of 45°. Totals may not tally due to rounding. Contained metals are reported at 100%.



# Cozamin Reserves & Resources

## COPPER

Total Proven & Probable Cu Mineral Reserve	182 kt contained metal (10,178 kt @ 1.79% Cu)
Total Measured & Indicated Cu Mineral Resource	430 kt contained metal (27,459 kt @ 1.57% Cu)
Inferred Cu Mineral Resource	106 kt contained metal (16,558 kt @ 0.64% Cu)

## SILVER

Total Proven & Probable Ag Mineral Reserve	13,527 koz contained metal (10,178 kt @ 41 g/t Ag)
Total Measured & Indicated Ag Mineral Resource	39,209 koz contained metal (27,459 kt @ 44 g/t Ag)
Inferred Ag Mineral Resource	18,983 koz contained metal (16,558 kt @ 36 g/t Ag)

## ZINC

Total Proven & Probable Zn Mineral Reserve	36 kt contained metal (10,178 kt @ 0.36% Zn)
Total Measured & Indicated Zn Mineral Resource	314 kt contained metal (27,459 kt @ 1.14% Zn)
Inferred Zn Mineral Resource	375 kt contained metal (16,558 kt @ 2.26% Zn)

## LEAD

Total Proven & Probable Pb Mineral Reserve	5 kt contained metal (10,178 kt @ 0.05% Pb)
Total Measured & Indicated Pb Mineral Resource	87 kt contained metal (27,459 kt @ 0.32% Pb)
Inferred Pb Mineral Resource	101 kt contained metal (16,558 kt @ 0.61% Pb)

**NOTES:** Mineral Resources and Mineral Reserves as at April 30, 2020. For full information, please refer to the Company's news release of September 9, 2020.

**RESERVES:** Tucker Jensen, P.Eng., Superintendent Mine Operations at Capstone Mining Corp., is the Qualified Person for the Cozamin Mineral Reserve. Disclosure of the Cozamin Mine Mineral Reserve as of April 30, 2020 was completed using fully diluted mineable stope shapes generated by the Maptek Vulcan Mine Stope Optimizer software and estimated using the 2020 MNFW and MNV resource block models by Garth Kirkham, P.Geo., FGC, Kirkham Geosystems Ltd. Mineral Reserves are reported at a US\$52.29/t net smelter return ("NSR") cut-off using the NSR20CuRSV formula:  $(\$50.762\%Cu + \$0.412\%Ag \text{ ppm}) \times (1 - \text{NSRRoyalty}\%)$  for copper zones based on metal price assumptions (in US\$) of Cu = \$2.75/lb and Ag = \$17.00/oz, and metal recoveries of 96% Cu, 86% Ag and the NSR20ZnRSV formula:  $(\$49.756\%Cu + \$0.381\%Ag \text{ ppm} + \$8.035\%Pb + \$11.820\%Zn) \times (1 - \text{NSRRoyalty}\%)$  for zinc zones based on metal price assumptions (in US\$) of Cu = \$2.75/lb, Ag = \$17.00/oz, Pb = \$0.90/lb, Zn = \$1.00/lb and metal recoveries of 94% Cu, 78% Ag, 47% Pb and 67% Zn. Tonnage and grade estimates include dilution and recovery allowances. The NSR royalty rate applied varies between 1% and 3% depending on the mining concession. An exchange rate of MX\$20 per US\$1 is assumed. All metals are reported as contained. Figures may not sum exactly due to rounding..

**RESOURCES:** Garth Kirkham, P.Geo., FGC, Kirkham Geosystems Ltd. is the independent Qualified Person for the Cozamin Mineral Resource. Mineral Resources are classified according to CIM (2014) definitions, estimated following CIM (2019) guidelines and have an effective date of April 30, 2020. Mineral Resources are reported using NSR20RES formula:  $(Cu \times \$60.535 + Ag \times \$0.472 + Zn \times 14.865 + Pb \times \$9.147) \times (1 - \text{Royalty}\%)$  based on metal price assumptions (in US\$) of Cu = \$3.25/lb, Ag = \$20.00/oz, Zn = \$1.20/lb, Pb = \$1.00/lb, metal recoveries of 95% Cu, 82% Ag, 70% Zn, 48% Pb, confidential current smelter contract terms, transportation costs and royalty agreements from 1 to 3%, as applicable, are incorporated. An exchange rate of MX\$20 per US\$1 is assumed. Totals may not sum exactly due to rounding. The NSR cut-off of US\$50/tonne is based on historical mining and milling costs plus general and administrative costs. The Mineral Resources considers underground mining by long-hole stoping and mineral processing by flotation. No dilution is incorporated in the Mineral Resource. All metals are reported as contained. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources considered too speculative geologically to apply economic considerations for categorization as Mineral Reserves. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Resources.





# Santo Domingo Reserves & Resources

## COPPER EQUIVALENT

Total Measured & Indicated CuEq Mineral Resource	537 Mt @ 0.52% CuEq
Inferred CuEq Mineral Resource	48 Mt @ 0.41% CuEq

## COPPER

Total Proven & Probable Cu Mineral Reserve	1,167 kt contained metal (392.3 Mt @ 0.30% Cu)
Total Measured & Indicated Cu Mineral Resource	537 Mt @ 0.30% Cu
Inferred Cu Mineral Resource	48 Mt @ 0.19% Cu

## GOLD

Total Proven & Probable Au Mineral Reserve	506.7 koz contained metal (392.3 Mt @ 0.04 g/t Au)
Total Measured & Indicated Au Mineral Resource	537 Mt @ 0.039 g/t Au
Inferred Au Mineral Resource	48 Mt @ 0.025 g/t Au

## IRON

Total Proven & Probable Fe Mineral Reserve	75.1 Mt magnetite concentrate (392.3 Mt @ 28.2% Fe)
Total Measured & Indicated Fe Mineral Resource	537 Mt @ 25.7% Fe
Inferred Fe Mineral Resource	48 Mt @ 23.6% Fe

**NOTES:** Mineral Reserves as at December 31, 2019 and Mineral Resources as at February 13, 2020. For full information, please refer to the Company's Annual Information Form for December 31, 2019 available on [www.capstonemining.com](http://www.capstonemining.com) or SEDAR.

**RESERVES:** Mineral Reserves have an effective date of 14 November 2018 and were prepared by Mr. Carlos Guzman, CMC, an employee of NCL. Mineral Reserves are reported as constrained within Measured and Indicated pit designs and supported by a mine plan featuring variable throughput rates and cut-off optimization. The pit designs and mine plan were optimized using the following economic and technical parameters: metal prices of US\$3.00/lb Cu, US\$1,280/oz Au and US\$100/dmt of Fe concentrate; average recovery to concentrate is 93.4% for Cu and 60.1% for Au, with magnetite concentrate recovery varying on a block-by-block basis; copper concentrate treatment charges of US\$80/dmt, US\$0.08/lb of copper refining charges, US\$5.0/oz of gold refining charges, US\$33/wmt and US\$20/dmt for shipping copper and iron concentrates respectively; waste mining cost of \$1.75/t, mining cost of US\$1.75/t ore and process and G&A costs of US\$7.53/t processed; average pit slope angles that range from 37.6° to 43.6°; a 2% royalty rate assumption and an assumption of 100% mining recovery. Rounding as required by reporting standards may result in apparent summation differences between tonnes, grade and contained metal content. Tonnage measurements are in metric units. Copper and iron grades are reported as percentages, gold as grams per tonne. Contained gold ounces are reported as troy ounces, contained copper as million pounds and contained iron as metric million tonnes.



**RESOURCES:** Mineral Resources are classified according to CIM (2014) standards. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Qualified Person for the estimates is Mr. David Rennie, P. Eng., an associate of Roscoe Postle Associates Inc. Mineral Resources for the Santo Domingo Sur, Iris, Iris Norte and Estrellita deposits have an effective date of 13 February 2020. Mineral Resources for the Santo Domingo Sur, Iris, Iris Norte and Estrellita deposits are reported using a cut-off grade of 0.125% copper equivalent (CuEq). CuEq grades are calculated using average long-term prices of US\$3.50/lb Cu, US\$1,300/oz Au and US\$99/dmt Fe conc. The CuEq equation is: % Cu Equivalent = (Cu Metal Value + Au Metal Value + Fe Metal Value) / (Cu Metal Value per percent Cu). The general equation for metal value is: Metal Value = Grade \* Cm \* R \* (Price - TCRC - Freight) \* (100 - Royalty) / 100, where Cm is a constant to convert the grade of metal to metal price units, R is metallurgical recovery, and TCRC is smelter treatment charges and penalties. Only copper, gold and iron were recognized in the CuEq calculation; cobalt and sulphur were excluded. Mineral Resources are constrained by preliminary pit shells derived using a Lerchs-Grossmann algorithm and the following assumptions: pit slopes averaging 45°; mining cost of US\$1.90/t, processing cost of US\$7.27/t (including G&A cost); processing recovery of 89% copper and 79% gold, iron recoveries are calculated based on magnetic susceptibility; and metal prices of US\$3.50/lb Cu, US\$1,300/oz Au and US\$99/dmt Fe concentrate. Rounding as required by reporting standards may result in apparent summation differences. Tonnage measurements are in metric units. Copper, iron and sulphur are reported as percentages, gold as grams per tonne and cobalt as parts per million.

# Contact Information

## GENERAL INQUIRIES


### Capstone Mining Corp.

Suite 2100 – 510 West Georgia Street  
Vancouver, BC V6B 0M3

 [www.capstonemining.com](http://www.capstonemining.com)

 [info@capstonemining.com](mailto:info@capstonemining.com)

 1-604-684-8894

 1-866-684-8894 (N.A. toll free)



## MEDIA AND INVESTOR INQUIRIES

### Jerrold Annett

Vice President, Strategy & Capital Markets  
Suite 2700 – 161 Bay Street  
Toronto, ON M5J 2S1

 1-416-572-2272

### Virginia Morgan

Manager, Investor Relations & Communications  
Suite 2100 – 510 West Georgia Street  
Vancouver, BC V6B 0M3

 604-674-2268

 [info@capstonemining.com](mailto:info@capstonemining.com)