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Capstone Completed Pre-feasibility Study on Phase IV Expansion of Minto Copper-Gold Mine *Study Extends Mine Life, Sustains Higher Production and Identifies Focus for Phase V Expansion*

VANCOUVER, BRITISH COLUMBIA – Capstone Mining Corporation (CS: TSX) today reported the results of a pre-feasibility study for the Phase IV expansion (“Phase IV PFS”) of its high grade Minto copper-gold mine in the Yukon. This study details the basis of ramp up in mill throughput to a nominal 4,100 tonnes per day (“tpd”) throughput and 91.3% availability, resulting in 1.37 million tonnes per year processed in an optimised mill, with ore to be extracted from new mineralized areas discovered since 2006. The Phase IV PFS results in a total of 366 million pounds of copper in concentrate produced over an eight year mine life, commencing January 2010. Permit amendments are required for production in 2012 and beyond.

The Phase IV PFS also discusses two possible options for further increases in production and/or increases in mine life and mineral reserves: (1) a possible further increase in mill capacity to 7,500 tpd of throughput, focused on open pit mining of mineral resources outside of the current proposed open pits, and (2) the possible development of a 1,000-2,000 tpd underground mine to provide higher grade feed relatively earlier in the mine life than an expanded open pit operation. On preliminary analysis, the underground option appears to have a more attractive investment profile. As a result, the underground option will be prioritized in 2010, offering the potential for higher production than outlined in the Phase IV PFS.

“This Phase IV pre-feasibility study represents another significant milestone in the development of the Minto Mine,” said Stephen Quin, President & COO of Capstone Mining. “The Minto Mine continues to deliver increases in mineral resources that we have successfully translated into increased mineral reserves, copper production and mine life,” he said. “Furthermore, as a result of the successful exploration in 2006-2009, the Phase IV PFS outlines an attractive option for yet more increases in the future, and we are already planning how to crystallize this potential additional value, likely focused on the development of an underground mine operating in parallel with the open pits. This could allow higher feed grade, which could result in higher annual copper production and an extended mine life.”

Phase IV PFS Highlights

Brief highlights of the Phase IV PFS are summarized below, while additional detail follows:

- Increase in mill throughput to 4,100 tonnes per operating day, resulting in a sustained 1.37 million tonnes of ore per year (3,750tpd after allowances for maintenance and availability);
- Proven and probable mineral reserves increased to 10.9 million tonnes grading 1.64% copper, 0.64 g/t gold, and 5.9 g/t silver, for a contained 395 million lbs of copper, 224,000 oz of gold, and 2.0 million oz of silver;
- Mine life extended to 2018 with an average of 45 million pounds of copper production per year, with additional upside opportunities identified, as discussed below;



- Life-of-mine capital cost of C\$48.2 million, primarily based on an assumption of conversion to self mining, which decision will be subject to a cost-benefit analysis vs. remaining with contract mining;
- Life-of-mine cash costs of US\$1.34/lb of copper, after by-product credits (with gold at US\$300/oz and silver at US\$3.90/oz, as per the agreement with Silver Wheaton);
- Net present value, at a constant US\$2.25/lb copper price for unhedged production and a 7.5% discount rate, of C\$199 million before tax and C\$160 million after tax, which amounts increase to C\$291 million before tax and C\$218 million after tax at a flat US\$2.60/lb copper price for unhedged production, and to C\$395 million before tax and C\$281 million after tax at a flat US\$3.00/lb copper price for unhedged production;
- Important opportunities identified for incremental higher grade production relatively early in the mine life from underground mineral resources not within the current Phase IV pits or the current mineral reserve;
- A C\$20 million allowance has been made in the cash flow model for post-closure abandonment and reclamation.

Phase IV Pre-feasibility Study

The Phase IV Pre-feasibility Study was undertaken by SRK Consulting (Canada) Inc. who were engaged by Capstone's wholly owned subsidiary, Minto Explorations Ltd. ("MintoEx") to detail a new mineral resource and mineral reserve estimate for the Minto Mine property and to describe the new-life-of mine plan with costs and plant capacity improvements. Additional details are provided in a technical report that will be filed on SEDAR within approximately one week.

Mineral Resources

Updated mineral resources were estimated for each of the Area 2/118, Ridgetop and Minto North deposits. The mineral resource estimates are summarized below and are broken out by deposit at the end of this release.

Combined Mineral Resource Estimate at 0.5% Cu Cut-off for Area 2/118, Ridgetop, and Minto North Deposits* (inclusive of reserves)*

Classification	Tonnes (000's)*	Copper (%)	Gold (g/t)	Silver (g/t)	Contained Copper (000s lbs)*	Contained Gold (000s oz)*	Contained Silver (000s oz)*
Measured (M)	10,348	1.37	0.55	4.57	311,887	183	1,519
Indicated (I)	13,920	0.94	0.30	3.39	287,179	136	1,519
Sub-total (M+I)**	24,267	1.12	0.41	3.89	599,066	319	3,038
Additional Inferred	5,827	0.91	0.25	2.93	116,520	46	548

**This table excludes the remaining Minto Main Deposit mineral resource ** Totals may not add exactly due to rounding*

The mineral resource estimate in the Area 2/118 and Ridgetop deposits was completed by Dr. Wayne Barnett, Ph.D., Pr.Sci.Nat., an independent qualified person as this term is defined in National Instrument 43-101. The effective date of this resource estimate is June 1, 2009. Marek Nowak, P.Eng., analyzed the data, reviewed and validated the mineral resource estimates. The Minto North mineral resource estimate was completed by Garth Kirkham, P.Geo., of Kirkham Geosystems, an independent qualified person as this term is defined in National Instrument 43-101; the effective date of this mineral resource estimate is December 1, 2009. See "Mineral Resource Estimation" and "QA/QC" sections below for additional information.



Mineral Reserves

The Area 2/118, Ridgetop and Minto North (“Phase IV”) deposits are proposed to be developed as open pits following completion of mining in the Minto Main deposit. The planning for this pre-feasibility study assumes a start date of January 1, 2010. The proposed Main pit mine plan (as provided by MintoEx) was incorporated into this Phase IV PFS.

Based on a start date of January 2010, the Main/Phase IV mine will produce a total of 10.9 million tonnes (“Mt”) of ore (includes Main pit stockpile balance at end of 2009) and 70.4 Mt of waste and low grade material over approximately an eight-year mine operating life ending in early 2018. Permit amendments are required for production in 2012 and beyond. Mineral reserves by deposit are detailed below.

Minto – Mineral Reserves Estimate by Deposit and Class for Main/Phase IV (including stockpiles)*

Deposit	Reserve Class	Tonnes ('000s)	Cut-off Grade (% Copper equiv)	Diluted grade			Contained Metal		
				Copper (%)	Gold (g/t)	Silver (g/t)	Copper (millions lb)	Gold (oz)	Silver (oz)
Minto Main pit	Proven	3,920	0.62	1.64	0.58	6.51	142	72	820
	Probable	206	0.62	1.20	0.45	5.25	5	3	35
	Sub-total	4,126	0.62	1.62	0.57	6.45	147	75	855
Minto North Pit	Proven	1,346	0.55	2.50	1.37	9.04	74	59	391
	Probable	3	0.55	2.91	1.07	13.11	0	0	1
	Sub-total	1,349	0.55	2.50	1.37	9.05	74	60	393
Ridgetop Pit	Proven	802	0.58	1.17	0.31	2.33	21	8	60
	Probable	522	0.58	1.39	0.50	4.90	16	8	82
	Sub-total	1,324	0.58	1.26	0.38	3.34	37	16	142
Area 2/118 Pit	Proven	3,707	0.56	1.56	0.59	5.36	127	71	639
	Probable	387	0.56	1.09	0.19	2.79	9	2	35
	Sub-total	4,094	0.56	1.51	0.56	5.12	137	73	674
Total	Proven	9,775	0.58	1.69	0.67	6.08	364	211	1,911
	Probable	1,118	0.58	1.25	0.38	4.26	31	14	153
	Total	10,893	0.58	1.64	0.64	5.89	395	224	2,064

* Totals may not add exactly due to rounding

The life-of-mine (“LOM”) plan focuses on the mining and milling high-grade ore first, with lower grade material stockpiled for blending and processing later in the mine life. This is a strategy MintoEx has successfully employed since production commenced, based on repeated exploration success that has supported successive deferrals in the timing of the processing of this lower grade material as additional higher grade mineralization is discovered, defined and advanced to reserve status.

Open Pit Mining Production Schedule

The post-2009 mining sequence was divided into eight stages. The first stage sees the completion of mining in the Main pit followed by Minto North, the two stages in Ridgetop, Area 118 and finally three stages in Area 2. The stages were designed to provide the required ore per period, to maximize grade and defer stripping waste as long as possible.



Life-Of-Mine Open Pit Production Schedule (excluding existing stockpiles)

Parameter	Units	Year									
		Total	2010	2011	2012	2013	2014	2015	2016	2017	2018
			Main pit			Phase IV Pits					
Mining											
Ore	Mt	10.0	2.0	1.3	0.3	1.4	1.2	1.4	1.3	1.1	-
Overburden	Mt	16.9	4.9	3.4	2.3	1.2	1.6	1.0	1.9	0.7	
Waste Rock	Mt	53.5	3.3	3.0	7.1	6.0	8.6	7.9	9.7	8.0	
Total Waste	Mt	70.4	8.2	6.3	9.4	7.2	10.2	8.9	11.6	8.6	-
Total Material	Mt	80.4	10.2	7.6	9.7	8.6	11.4	10.3	12.9	9.8	-
Strip ratio	Waste:Ore t	7.0	4.1	5.0	33.2	5.1	8.6	6.3	8.7	7.6	-
Daily production	000s t/day	27.5	27.8	20.9	26.4	23.5	31.1	28.3	35.3	26.8	-
Mined Copper grade	%	1.66	1.71	1.59	1.20	2.43	1.28	1.42	1.42	1.80	-
Mined Gold grade	g/t	0.65	0.52	0.67	0.50	1.24	0.43	0.51	0.51	0.73	-
Mined Silver grade	g/t	5.93	7.04	6.23	2.27	8.71	3.76	5.23	4.48	6.00	-
Mined Copper	Millions lbs	367	74	45	7	75	33	44	42	45	-
Mined Gold	000s oz	210	33	28	5	56	16	23	22	27	-
Mined Silver	000s oz	1,912	447	257	21	394	143	238	192	221	-

Processing

Based on recent operating experience at the Minto Mine, combined with metallurgical and comminution test work undertaken on each of the deposits forming the Phase IV pits, recoveries and processing characteristics were determined for each deposit, resulting in the mill processing profile tabulated below.

Life-Of-Mine Mill Processing Schedule

Parameter	Units	Year									
		Total	2010	2011	2012	2013	2014	2015	2016	2017	2018
			Main Pit			Phase IV Pits					
Processing											
Processed Ore	Mt	10.9	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	0.1
Process rate	tpd	3,704	3,334	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Processed Cu grade	%	1.64	2.33	1.68	1.10	2.47	1.22	1.44	1.40	1.64	0.81
Processed Au grade	g/t	0.64	0.80	0.67	0.35	1.27	0.40	0.52	0.50	0.65	0.25
Processed Ag grade	g/t	5.89	9.84	6.48	3.64	8.88	3.66	5.32	4.44	5.52	2.67
Recovery											
Copper	%	92.8	94.0	94.0	93.6	92.0	92.3	92.0	92.0	92.4	92.0
Gold	%	73.8	80.0	80.0	77.9	70.0	71.3	70.0	70.2	71.8	70.0
Silver	%	81.3	86.7	86.7	84.9	78.0	79.1	78.0	78.2	79.6	78.0
Metal in Concentrates											
Copper	Millions lbs	366	59	48	31	69	34	40	39	46	1
Gold	000s oz	164.8	25.0	23.5	12.2	39.2	12.5	16.0	15.6	20.4	0.5
Silver	000s oz	1,685	334	247	136	305	127	183	153	193	6

As noted in the Phase IV PFS, the mining schedule is not fully optimized and will be reworked to smooth out production, particularly in the 2012-2014 period. Nor does this production profile include any contribution from possible underground production, which could result in higher grade underground feed displacing lower grade open pit feed, which would be deferred into future years (see below).



Production Opportunities

In order to assess the possible opportunity for larger scale open pits and their potential impact on future permitting requirements, a preliminary study was conducted where an optimistic copper price and lower operating costs were used to understand these potential pit limits. Although the large scale pits provide the potential for more tonnage through the mill (due to the lower operating costs and higher copper prices assumed), they do so at a reduced copper grades and also would require significant increases in waste dump capacities, as well as tailings storage requirements. It should be noted that this large open pit scenario is preliminary in nature and only serves as a rough indication of potential pit size.

Exploration on the Minto project has historically been focused on finding near-surface deposits conducive to open pit mining. In the course of exploration, several deeper deposits have been discovered that may provide an opportunity to add mill feed material using underground mining methods. Both deep penetrating geophysical surveys and core drilling have provided some preliminary definition of deposits below 150m in depth, and these deposits and targets may be amenable to underground exploitation. Additional details on the potential for underground production are provided below.

Both scenarios will undergo continued evaluation, with the underground potential being the preferred option due to the potential for the extraction and processing of relatively higher copper grades sooner, with lower capital than the large pit scenario.

Capital Cost Estimate

Life-of-mine capital costs are estimated at C\$48.2 million, of which \$42.8 million is primarily related to the expansion of the process plant and conversion to self mining in 2010 and 2011; the balance is sustaining capital incurred over the remaining mine life.

Phase IV PFS Capital Cost Estimate

Area	C\$ millions
Plant expansion	9.1
Open pit mining equipment	33.7
Sub-total	42.8
Sustaining Capital	5.4
Life-of-mine capital	48.2

The method of funding the possible acquisition of open pit mining equipment, which could be by cash, capital lease or other method, will be evaluated once a decision to proceed with self-mining has been made. Alternatively, contract mining could continue, if contractors can achieve the objectives set out under 'Operating Cost' section below, eliminating the need for the open pit mining capital noted above. C\$20 million has been allowed for post-closure abandonment in the cash flow model. This amount is just an allowance; actual costs will be estimated in conjunction with regulators during the permitting process.

Operating Cost Estimate

The direct operating costs for the Phase IV PFS were estimated using historical operating data from the Minto Mine and various planned optimizations related to the Phase IV expansion.



Phase IV PFS Operating Cost Estimate

Area	C\$/t
Mining (\$/t material mined)	2.31
Mining (\$/t milled)	17.02
Processing (\$/t milled)	13.90
General, administration, camp, royalties (\$/t milled)	11.94
Total (\$/t milled)	42.86

This equates to a life-of-mine average total cash cost, after selling costs and net of by-product credits, of US\$1.34 per pound of copper. Actual annual average reported costs in Capstone’s financial statements could vary from this amount due to treatment of inventory and stockpiles on an annual basis.

Economics

SRK reports that the estimated economic benefit of mining the Minto Phase IV deposits is sufficient to take the Phase IV expansion project to the next level. While more detailed work will be required to optimize the project, there is adequate economic justification for MintoEx to proceed with further work and, in particular, the application for licence and permit amendments from the Yukon Government.

The table below shows the comparison of Phase IV PFS Base Case (at a flat US\$2.25/lb for unhedged copper production) and Alternate Cases (at a flat US\$2.60 and US\$3.00/lb for unhedged copper production, respectively). The Phase IV deposits add economic benefit to the mine, yielding a Base Case pre-tax Net Present Value at a 7.5% discount rate (“NPV_{7.5%}”) of C\$199 million. The Alternate Case models yield a substantial improvement in the project economics due to higher metal prices based on current forward projections.

Comparison of Phase IV Base and Alternate Cases

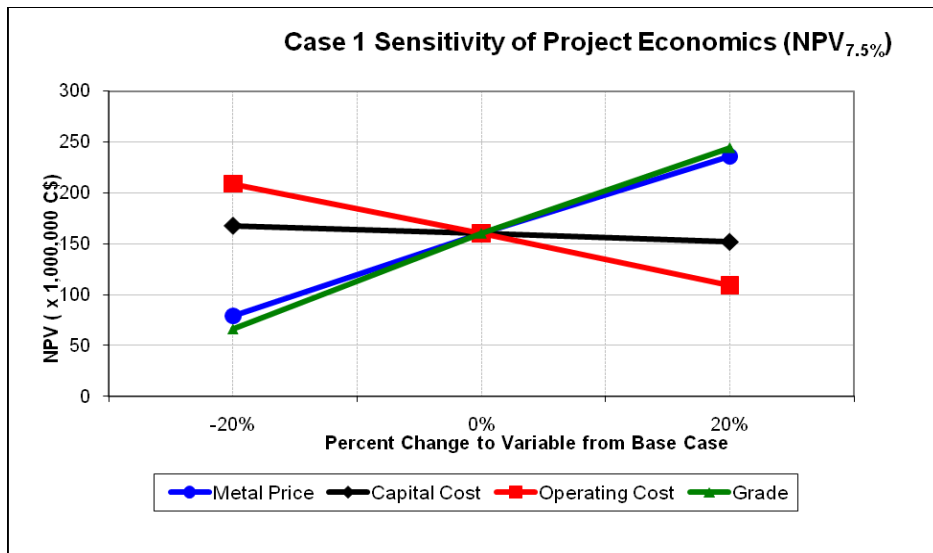
Item	Unit	Phase IV PFS Base Case	Phase IV PFS Case 2	Phase IV PFS Case 3
Waste mined (millions)	tonnes	70.4	70.4	70.4
Ore mined (millions)	tonnes	10.0	10.0	10.0
Total mined (millions)	tonnes	80.4	80.4	80.4
Strip ratio (waste: ore)	W:O	7.0	7.0	7.0
Mill Feed*	Mt	10.9	10.9	10.9
Copper mill head grade	% Cu	1.64%	1.64%	1.64%
Gold mill head grade	g/t Au	0.64	0.64	0.64
Silver mill head grade	g/t Ag	5.9	5.9	5.9
Copper in concentrates (millions)	lb	366	366	366
Gold in concentrates (000s)	oz	166	166	166
Silver in concentrates (000s)	oz	1,685	1,685	1,685
Concentrate Grade	% Cu	40%	40%	40%
Copper Price Unhedged production, flat)	US\$/lb	\$2.25	\$2.60	\$3.00
Copper Price (LOM average, including hedging)	US\$/lb	US\$2.25	US\$2.55	US\$2.90
Gold price (net received from Silver Wheaton)	US\$/oz	\$300.00	\$300.00	\$300.00
Silver price (net received from Silver Wheaton)	US\$/oz	\$3.90	\$3.90	\$3.90
Exchange rate	US\$/C\$	\$0.91	\$0.91	\$0.91
NSR	C\$/t milled	\$75	\$86	\$99



Unit Mining Costs	C\$/t mined	\$2.31	\$2.31	\$2.31
Unit Total OPEX (incl. royalties)	C\$/t milled	\$42.86	\$42.92	\$42.98
Unit On-site OPEX (inc. royalties)	US\$/lb Cu payable	\$1.20	\$1.20	\$1.20
Unit Off-site OPEX	US\$/lb Cu payable	\$0.29	\$0.29	\$0.29
Unit By-product Credit	US\$/lb Cu payable	\$0.15	\$0.15	\$0.15
Unit OPEX net by-product credits	US\$/lb Cu payable	\$1.34	\$1.34	\$1.34
Total Capital (initial, sustaining)	C\$ millions	\$48	\$48	\$48
Allowance for closure costs	C\$ millions	\$20	\$20	\$20
NPV _{7.5%} pre-tax	C\$ millions	\$199	\$291	\$395
NPV _{7.5%} after tax	C\$ millions	\$160	\$218	\$281

**Note: Mill Feed includes Ore Stockpile*

Base case sensitivity analyses were run for copper grade, copper price, capital expense (“CAPEX”), and operating expense (“OPEX”). Each variable was changed from -20% to +20% of the base case value. Each variable was changed independently of the other variables so there is no compounding effect of multiple variable modifications. The results show the project is most sensitive to copper grade followed closely by copper prices. Normally grade and metal price effects are equal but in Minto’s case, the copper price is hedged for some of the production so the effect of copper price is tempered with some metal price certainty.



Permitting & Reclamation

In order to implement the life-of-mine plan set out in the Phase IV PFS, amendments will be required to the current operating permits and licences at the Minto Mine for production in 2012 and beyond. With the Phase IV PFS as a guide, MintoEx has commenced the process of preparing an application for such amendments, which application it intends to file with the Yukon regulators in the first half of 2010.



In the financial model, C\$20 million has been allowed for mine site reclamation following closure. However, it should be noted that this amount is an allowance; the actual reclamation cost will be estimated in conjunction with regulators during the permitting process.

Risks & Opportunities

The major risk areas identified in this study are:

1. Timing and approval of permit revisions, which could delay access to new mining areas if not granted in time to allow stripping of Minto North in 2012;
2. Exchange rates, metal prices and external influences;
3. Grade control, given the relatively narrower mineralized horizons in the Phase IV pits as compared to the Minto Main pit.

The most important opportunities to improve the project are:

1. Optimization of mine plan to smooth out the production profile and optimize stripping;
2. Underground production potential, bringing currently defined ex-pit high grade feed to the mill relatively early in the mine life. A conceptual level review was completed that involves underground extraction of higher grade ore, eliminating the need for further plant expansions and allowing processing of higher grade ore sooner than in an expanded open pit scenario;
3. Conversion of current inferred mineral resources within existing Phase IV pit outlines to higher classifications, increasing the mineral reserve and reducing strip ratios;
4. Conversion of current higher grade inferred mineral resources outside the existing Phase IV pit outlines to higher classifications, possibly resulting in increased mineral reserves; and
5. Discovery of new mineral resources and mineral reserves.

Underground Mining Opportunity

As part of the review of the mineral resources for the Phase IV PFS, options for extracting deeper portions of the resources that remain outside of the open pit limits were examined. One consideration was the potential for underground extraction of mineral resources, particularly in the Area 2/118 areas, and the potential of other deeper, but higher grade discoveries such as Minto East and Copper Keel.

Potentially Underground Mineable Mineralization in Area 118 and Area 2

(Using Measured and Indicated Mineral Resources only)

Deposit	Cut-off Value (\$/t NSR)	In situ Tonnes (000s t)	Diluted Grade (10%)			Thickness (Min. 3m)		% Benching
			Cu (%)	Au (g/t)	Ag (g/t)	Max Thickness (m)	Average Thickness (m)	
Area 118	60	1,340	1.98	0.79	8.3	15.9	7.1	40
	75	783	2.34	0.96	10.4	16.0	6.9	38
	90	515	2.63	1.10	12.3	13.5	6.9	37
Area 2*	60	1,814	1.83	0.75	6.0	33.0	11.2	64
	75	1,186	2.04	0.87	6.8	30.0	8.8	53
	90	555	2.34	1.07	7.8	27.5	7.3	42

* Includes some mineralization currently in the Area 2 mine plan.



Based on geologic and geotechnical information, mining conditions in these areas appear to be good and may be able to support high extraction, relatively low cost, room and pillar mining. In order to access both the Area 2 and Area 118 mineralization, a 1,650m long, 5m by 5m decline at -15% has been considered, with additional development required to access mineralization and provide ventilation, with capital costs for such development estimated at C\$11.3 million (which includes leased underground equipment, along with required infrastructure). Should the underground mining potential of the Area 2/118 (and possibly the Minto East) zones be shown to be favourable, it is estimated that an additional \$8-10 million would be required to purchase mining equipment, additional infrastructure and mine development to build the potential mine production to a level of 1,000 to 2,000 tpd. Such production could be used to supplement open pit production, providing higher grade feed within 2-3 years, thereby increasing overall metal production, without further plant expansions, and extending the mine life by stretching out the open pit production. Should underground development occur, it could (a) provide supplemental higher grade feed relatively quickly and (b) provide further impetus for the exploration of other deeper, underground mining targets that have not been pursued to date.

If a \$30/t average underground mining cost is assumed and a processing and G&A cost of \$23.09/t is used (as in Phase IV PFS) then the estimated underground cut-off grade it would be about 1.5% copper in situ. This equates to an approximate cut-off NSR value of \$60.00/t. The underground option has not been factored into the Phase IV PFS and represents a significant upside opportunity that MintoEx intends to pursue in the near term.

Large Pit Scenario

The work leading up to the Phase IV PFS also included the preliminary examination of the possibility of a further increase in mill capacity, to 7,500 tpd, concurrent with expanded mining capacity, resulting in a reduction in unit operating costs as efficiencies of scale come to bear. A reduction in unit operating costs could result in conversion of mineral resources currently outside the Phase IV pits into mineral reserves, particularly at higher metal prices, justifying the higher throughput. However, such a scenario involves more capital investment up front than the underground option discussed above, and reaches the highest grades toward the end of the mine life, and would thus appear to result in a less attractive investment scenario than the underground option, except at high metal prices over the entire mine life. MintoEx therefore intends to focus on evaluating the underground option for its Phase V of the Minto Mine.

Mineral Resource Estimation

In the opinion of SRK, the block model mineral resource estimate and mineral resource classification reported herein are a reasonable representation of the global mineral resources at Area 2/118, Ridgetop, and Minto North deposits at the current level of sampling. The mineral resources presented herein have been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines and are reported in accordance with Canadian Securities Administrators’ National Instrument 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The estimated mineral resources have been used in the preliminary feasibility study described in this news release.

The database used to estimate the Area 2/118 and Ridgetop deposits was audited by SRK and the mineralization boundaries were modelled by SRK based on lithological and structural interpretations. Kirkham Geosystems audited the Minto North database and modelled mineralization boundaries. SRK and Kirkham Geosystems are of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries of the mineralized domains and that the assaying data is sufficiently reliable to support estimating mineral resources in respect of the mineral resource estimates they are responsible for.

The “reasonable prospects for economic extraction” requirement for a mineral resource generally implies that the quantity and grade estimates meet certain economic thresholds, and that the mineral resources are reported at an



appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK and Kirkham Geosystems consider that the Area 2/118, Ridgetop, and Minto North deposits are amenable for open pit extraction.

In order to constrain the overall mineral resource envelope to demonstrate reasonable prospects for economic extraction, for the Area 2/118 and Ridgetop deposits, the mineral resources are based on a combined processing and G&A cost of C\$5.00 per tonne of material processed (assuming a much larger operation) and metal prices of US\$2.85 per pound for copper, US\$900 per ounce gold, and US\$12 per ounce silver. This upside pit shell puts outside limits on the overall resource shell. Mineral resources at these lower cut-offs were reported in a news release dated June 9, 2009.

The open pit resource is constrained by an optimized Whittle shell based on the NSR model, overall slope angles of 50 degrees and the site operating costs noted above. At Minto North, global resources have been reported.

Technical Report

A technical report summarizing the information in the Phase IV PFS will be filed on SEDAR within approximately one week.

Further Information

For further information about Capstone, please contact:

Darren Pylot, Vice Chairman & CEO, Stephen Quin, President & COO

Or Investor Relations' **Jason Howe** at (604) 684-8894 or (866) 684-8894

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The TSX does not accept any responsibility for the adequacy or accuracy of this press release.



Quality Assurance

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 and reviewed by Stephen P. Quin, P. Geo., President & COO for Capstone Mining Corporation. The exploration activities at the Minto project site are carried out under the supervision of Brad Mercer, P. Geol., V.P. Exploration (Canada) for Capstone.

The following SRK employees are the Qualified Persons (“QP”) under National Instrument 43-101 responsible for this project: Wayne Barnett, P.Eng. – Geology as well as resource estimates for Area 2/118 and Ridgetop; Cam Scott, P.Eng. – Waste dumps and Tailings Impoundments; Mike Levy, P.E. – Geotechnical; Dino Pilotto, P.Eng. – Mining and Reserves; Gordon Doerksen, P.E. – Project Overview. Clint Donkin of Ausenco is the QP for the Mineral Processing and Garth Kirkham of Kirkham Geosystems is the QP for the resource estimate for Minto North.

The analytical method for the copper and silver analyses is aqua regia digestion of the samples followed by atomic absorption spectroscopy. Gold is analysed by fire assay fusion with atomic absorption spectroscopy finish for gold. Analyses are carried out by ALS CHEMEX in North Vancouver. When visible gold is noted in drill core samples or regular fire assay values appear abnormally high, the pulp and screen metallic assay method is used to determine the total gold content and gold contents of different size fractions. This is considered industry best practice when dealing with coarse gold mineralization where a nugget effect is suspected. This determination is accepted as the most representative value and is used in the assay database for mineral resource calculations. Blank and standard samples are used for quality assurance and quality control. Where more than two check samples assay outside expected ranges, the entire batch is re-assayed. After the completion of planned drill programs at Minto, random check assays will be carried out by Inspectorate America Corporation.

Forward-Looking Statements

This document may contain “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). These forward-looking statements are made as of the date of this document and Capstone Mining Corp. (the “Company”) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “perhaps”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this news release, forward-looking statements can be identified by the use of words (or variations of words) such as “resulting”, “further” “planning”, “planned”, “could”, “will”, “proposed”, “would”, “scenario”, “may”, “intends”, “opportunities”, “potential”, and relate to the Company’s expectations with respect to the expansion of the Minto Mine based on the Phase IV PFS. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors can include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company’s interim and annual financial statements and management’s discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Specific risks identified in this news release are risks related to the timing and receipt of permit amendments required to implement the mine expansion; exchange rates, metal prices and



external influences; and grade control in mining the Phase IV pits. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.



Mineral Resource Estimates for Individual Deposits (excluding Main Deposit)

Mineral Resource Statement at 0.5% Cu Cut-off for the Area 2/118 Deposit, SRK Consulting June 9, 2009

Classification	Tonnes (Kt)*	Copper (%)	Gold (g/t)	Silver (g/t)	Contained Copper (000s lb.)*	Contained Gold (000s oz)*	Contained Silver (000s oz)*
Measured (M)	6,936	1.25	0.47	4.3	190,638	104	956
Indicated (I)	11,301	0.92	0.29	3.4	230,198	106	1,220
Sub-total (M+I)**	18,237	1.05	0.36	3.7	420,836	210	2,176
Inferred	5,116	0.91	0.24	3.0	102,420	40	492

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

Mineral Resource Statement at 0.5% Cu Cut-off for the Ridgetop Deposit, SRK Consulting June 9, 2009

Classification	Tonnes (000s)*	Copper (%)	Gold (g/t)	Silver (g/t)	Contained Copper (000s lbs)*	Contained Gold (000s oz)*	Contained Silver (000s oz)*
Measured (M)	1,568	0.98	0.26	2.1	33,719	13	107
Indicated (I)	2,355	0.98	0.33	3.3	50,926	25	250
Sub-total (M+I)**	3,923	0.98	0.30	2.8	84,645	38	357
Inferred	686	0.90	0.26	2.4	13,644	6	53

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

Mineral Resource Statement at 0.5% Cu Cut-off for the Minto North Deposit, Kirkham Geosystems, Dec. 1, 2009

Classification	Tonnes (000's)*	Copper (%)	Gold (g/t)	Silver (g/t)	Contained Copper (000s lbs)*	Contained Gold (000s oz)*	Contained Silver (000s oz)*
Measured (M)	1,844	2.15	1.11	7.7	87,530	66	456
Indicated (I)	264	1.04	0.6	5.8	6,055	5	49
Sub-total (M+I)**	2,108	2.01	1.04	7.5	93,585	71	505
Additional Inferred	25	0.84	0.40	4.4	457	0	3

*Rounded to nearest thousand

**Totals may not add exactly due to rounding