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FOR IMMEDIATE RELEASE

March 2, 2010

#10-06

Capstone Announces Increased Mineral Resources Estimates for the Cozamin Copper Mine, Mexico *10.7 million tonnes Measured and Indicated Resources at a Copper Grade of 1.6% Plus By-products*

VANCOUVER, BRITISH COLUMBIA - Capstone Mining Corp. (CS: TSX) today announced an updated NI43-101 compliant mineral resource estimate for its Cozamin Mine in Zacatecas State, Mexico. The new mineral resource estimate includes the results from 6,229 channel samples taken in 2009 from 40 stopes and drifts covering a cumulative distance of about 5km, as well as more detailed survey control. These data were incorporated into a completely new block model for the mine that now contains 25,168 individual channel samples, 150 drill holes from surface and 216 underground drill holes. These new mineral resource estimates will be used in a new mineral reserve estimate for the Cozamin Mine, which is expected to be completed in March.

Capstone commenced mining the San Roberto deposit at the Cozamin Mine in 2006. Since commercial production began, 2.6 million tonnes have been mined at an average grade of 1.54% copper, 0.50% lead, 1.29% zinc and 71g/t silver. In addition to San Roberto, production from the adjacent San Rafael deposit commenced in late 2009. Robert Sim, P.Geo., of Sim Geological Inc., supervised the preparation of the updated mineral resource estimates for the San Roberto and San Rafael deposits. Summaries of these estimates are presented below, while additional details are attached.

Cozamin Mine – Mineral Resources by Class for All Deposits (at a NSR cut-off of US\$35/t)

Class	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured (M)	2,078	2.33	1.14	0.53	84.4	0.07	106.6	52.2	24.5	5,638	4.5
Indicated (I)	8,587	1.40	2.09	0.36	59.0	0.22	264.5	395.1	68.7	16,289	60.5
M & I **	10,665	1.58	1.90	0.40	63.9	0.19	371.1	447.4	93.2	21,928	65.1
Inferred	4,073	0.89	2.22	0.41	43.2	0.33	80.2	199.1	36.4	5,662	43.5

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

“This updated mineral resource estimate demonstrates the robustness of the Cozamin mineralizing system,” said Stephen P. Quin, President & COO of Capstone Mining. “Despite reductions due to mining activities in 2009, total contained copper and silver has increased modestly, while contained lead, zinc and gold have increased significantly. These gains are primarily the result of conversion of mineralized material previously below cut-off as a result of higher prices for lead and zinc” he said.

“Following the 2009 acquisition of three mineral claims in the immediate vicinity of these mineral resources, we are optimistic that we will continue to more than replace the production in the immediate mine area,” said Mr. Quin. “Further, we have almost completed a sustained 12-month property wide assessment of the Cozamin Mine property, involving airborne and ground geophysics, soil and rock sampling and geologic mapping. This work confirms that there is significant potential for discoveries of new deposits along the principal Mala Noche vein that hosts all the currently known mineral resources, as well as in parallel vein systems.” Capstone plans to begin the drill testing of the priority new targets by mid-2010.



Cozamin Mine – Mineral Resources by Class for Each Deposit (at a NSR cut-off of US\$35/t)

Class**	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured (M)											
San Roberto	2,078	2.33	1.14	0.53	84.4	0.07	106.6	52.2	24.5	5,638	4.5
San Rafael	0										
Sub-total Measured	2,078	2.33	1.14	0.53	84.4	0.07	106.6	52.2	24.5	5,638	4.5
Indicated (I)											
San Roberto	6,604	1.73	1.71	0.33	64.4	0.13	252.5	249.6	48.0	13,662	28.4
San Rafael	1,983	0.27	3.33	0.47	41.2	0.50	12.0	145.5	20.7	2,627	32.2
Sub-total Indicated	8,587	1.40	2.09	0.36	59.0	0.22	264.5	395.1	68.7	16,289	60.5
M + I											
San Roberto	8,682	1.88	1.58	0.38	69.1	0.12	359.1	301.9	72.5	19,300	32.9
San Rafael	1,983	0.27	3.33	0.47	41.2	0.50	12.0	145.5	20.7	2,627	32.2
Sub-total M+I	10,665	1.58	1.90	0.40	63.9	0.19	371.1	447.4	93.2	21,928	65.1
Additional Inferred											
San Roberto	2,376	1.44	1.69	0.18	52.6	0.11	75.6	88.7	9.5	4,019	8.6
San Rafael	1,697	0.12	2.95	0.72	30.1	0.64	4.6	110.4	27.0	1,644	34.9
Sub-total Inferred	4,073	0.89	2.22	0.41	43.2	0.33	80.2	199.1	36.4	5,662	43.5

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

Mineral Resource Estimates at different cut-offs

The mineral resources at Cozamin are summarized at a series of cut-off limits for comparison purposes in the table below.

Cozamin Mine – Mineral Resources for all Deposits At Different NSR Cut-offs

NSR Cut Off (US\$/t)	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured + Indicated											
> 50	5,999	2.16	1.74	0.42	75.7	0.13	286.1	230.2	55.8	14,594	26.0
> 40	8,908	1.76	1.86	0.41	68.1	0.17	345.7	366.2	80.2	19,513	49.8
> 37.5	9,766	1.67	1.89	0.40	66.1	0.18	358.9	406.3	86.7	20,745	57.7
> 35 (Base case)	10,665	1.58	1.90	0.40	63.9	0.19	371.1	447.4	93.2	21,928	65.1
> 30	12,378	1.43	1.90	0.38	60.3	0.20	391.1	519.4	104.5	24,007	78.3
> 25	13,977	1.31	1.89	0.37	57.0	0.20	405.0	581.3	114.3	25,614	90.0
Additional Inferred											
> 50	1,309	1.41	2.45	0.39	53.4	0.30	40.6	70.8	11.3	2,249	12.5
> 40	2,894	1.01	2.37	0.41	46.8	0.35	64.5	151.0	26.5	4,354	32.7
> 37.5	3,388	0.94	2.33	0.43	44.6	0.34	70.1	174.4	31.8	4,861	37.5
> 35 (Base case)	4,073	0.89	2.22	0.41	43.2	0.33	80.2	199.1	36.4	5,662	43.5
> 30	5,382	0.77	2.18	0.40	40.2	0.32	91.3	258.1	46.9	6,952	56.0
> 25	7,207	0.65	2.08	0.38	36.5	0.32	103.0	330.7	60.9	8,453	73.2



*Rounded to nearest thousand

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Mineral Resource Parameters

The metal prices and metallurgical parameters used to estimate the NSR values for each deposit are presented in the following tables. At San Rafael, ore grading above 0.3% copper will be treated in the plant with San Roberto ore. Zinc-rich (copper-poor) ore will be treated separately and gold will be recovered as reflected in the separate parameters for San Rafael.

Cozamin Mine – NSR parameters San Roberto

Metal Prices		
Units	Value \$US	
Cu \$/lb	\$2.50	
Zn \$/lb	\$0.80	
Pb \$/lb	\$0.85	
Ag \$/oz	\$4.00	

NSR Parameters		
Units	Value \$US	
Cu 0.10 %	\$2.47	
Zn 0.10 %	\$0.56	
Pb 0.10 %	\$0.89	
Ag g/t	\$0.06	

Grades			
	Cu	Zn	Pb
Cu Conc.	25%		
Zn Conc.		50%	
Pb Conc.			60%

Recovery %			
Ag	Cu	Zn	Pb
50	92		
2		70	
20			60

Cozamin Mine – NSR parameters San Rafael Zinc Ore

Metal Prices		
Units	Value \$US	
Cu \$/lb	\$2.50	
Zn \$/lb	\$0.80	
Pb \$/lb	\$0.85	
Au \$/oz	\$950	
Ag \$/oz	\$4.00	

NSR Parameters		
Units	Value \$US	
Cu 0.10 %	\$2.47	
Zn 0.10 %	\$0.69	
Pb 0.10 %	\$1.50	
Au g/t	\$17.21	
Ag g/t	\$0.06	

Grades				
	Au	Ag	Zn	Pb
Zn Conc.	0.72 g/t	183 g/t	52%	
Pb Conc.	25.0 g/t	2,418 g/t		55%

Recovery %			
Au	Ag	Zn	Pb
7	16	70	2
67	58	15	85

Preparation of Mineral Resource Estimates

The mineral resource estimates for the Cozamin deposits were completed by Capstone staff under the supervision of independent consultant Robert Sim, P.Geo., of SIM Geological Inc., using accepted, industry standard, methods that conform with National Instrument 43-101. The resource model has been developed using MineSight® (v4.61).

There have been no diamond drill holes completed on either the San Roberto or San Rafael deposits in 2009. However, extensive underground channel sample data has been incorporated into the new mineral resource estimates, and the underground workings have been extensively resurveyed to provide greater accuracy to the data. Underground mining activities have occurred at both deposits during 2009 and this development continues to display a high degree of consistency and continuity to the mineralization.

Resource Estimation Methodology



The data and methodology utilized for the resource estimate is as follows:

- The resource model has been generated from a database containing a total of 366 diamond drill (core) holes collared from surface as well as from a series of underground drill stations developed on the #8 level of the San Roberto mine workings. Drill holes have been oriented to intersect the mineralized zone at an average of 50m intervals in the majority of the San Rafael and San Roberto areas. Below an elevation of 1,900m (550m below surface), the drill hole spacing at San Roberto increases to an average of 200m. All drilling has been conducted from the hangingwall side of the deposit with pierce angle ranging from 45 to 90 degrees in relation to the plane of the mineralization. In addition to the drill hole data, there are a series of 3,811 chip-channels taken at approximately 4m intervals across the strike of the deposit in all development drifts in the San Roberto mine area. Approximately 250m of underground (mineralized zone) development was completed at San Rafael during 2009 but channel sample assay results were not available for use in the Dec 31 2009 resource model.
- Drill hole samples have been analyzed for copper, zinc, lead, silver and gold at ALSChemex and SGS labs. Underground channel samples were analyzed at SGS early in the mine life and, more recently, at the Cozamin on site lab. All sample results are monitored with an appropriate QAQC program. Bulk density measurements have been conducted by site personnel on samples from 135 drill holes evenly spaced throughout the model area.
- The structural zone which hosts the mineralization at the Cozamin deposit has been interpreted using a combination of geology information and sample grade results in the drilling and channel data. This “mineral domain” strikes east-west for a distance of more than 3km, dips on average at -60° to the north and extends from surface to a depth -900m. The thickness of the mineral domain ranges from several metres to over 20m, with an average thickness of about 7m (true).
- Sample data has been composited to 1m standard intervals prior to block grade estimations. The presence of potential outlier sample data has been evaluated and appropriate thresholds have been applied for all elements in both the San Rafael and San Roberto areas.
- Nominal block sizes measuring 5m by 3m by 3m at San Roberto and 10m by 3m by 3m at San Rafael, with the long axis oriented parallel to the east-west strike of the zone, are considered appropriate with respect to the sample spacing and the scale of the deposits.
- Estimates for copper, zinc, lead, silver and gold are made in the block models using ordinary kriging. Estimates for bulk density are made using the inverse distance interpolation method. Block grade estimates have been validated using several methods including extensive visual review with respect to the underlying data and comparisons with results produced using other interpolation methods.
- Mineral resources have been classified in accordance with the CIM definition standards for mineral resources and mineral reserves. The classification parameters are defined in relation to the distance to sample data and are intended to encompass zones of reasonably continuous mineralization.

Quality Assurance/Quality Control

Robert Sim P.Geo., of SIM Geological Inc., supervised the preparation of the mineral resource estimate for the Cozamin deposit. Mr. Sim has reviewed pertinent geological information in sufficient detail to support the data incorporated in the resource estimate. Robert Sim P.Geo., an Independent Qualified Person as defined under National Instrument 43-101, is responsible for the resource estimate presented in this release.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated mineral resource categories through further drilling, or into mineral reserves once economic considerations are applied.

For further information about Capstone, please contact:

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



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 Capstone Mining Corp. (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 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 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”, “would”, “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 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 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. 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.

Compliance with NI43-101

Unless otherwise indicated, Capstone has prepared the technical information in this news release (“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. 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”). For readers to fully understand the information in this presentation, they should read the Technical Reports (available on 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.

The following employees of Capstone, each a Qualified Person, reviewed Technical Information contained in this news release: Robert Barnes, Professional Engineer and consulting geologist Hugh Willson, Professional Geologist, respectively reviewed the resource reconciliation and geological information related to the Cozamin Mine.



Cozamin Mine - Details of Mineral Resource Estimates

Resource estimates for each deposit at the Cozamin Mine are presented below.

San Roberto Deposit – Mineral Resources by Class (at a NSR cut-off of US\$35.00)

Class	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured (M)	2,078	2.33	1.14	0.53	84.4	0.07	106.6	52.2	24.5	5,638	4.5
Indicated (I)	6,604	1.73	1.71	0.33	64.4	0.13	252.5	249.6	48.0	13,662	28.4
M & I **	8,682	1.88	1.58	0.38	69.1	0.12	359.1	301.9	72.5	19,300	32.9
Inferred	2,376	1.44	1.69	0.18	52.6	0.11	75.6	88.7	9.5	4,019	8.6

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

San Roberto Deposit – Mineral Resources at Different NSR Cut-offs

NSR Cut Off (US\$/t)	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured + Indicated											
>50	5,530	2.32	1.55	0.41	77.4	0.09	282.3	189.0	49.4	13,764	16.6
>40	7,626	2.01	1.58	0.39	71.9	0.11	337.2	265.2	65.4	17,636	26.9
>37.5	8,158	1.94	1.58	0.38	70.6	0.12	348.7	283.8	69.1	18,508	30.2
>35 (Base case)	8,682	1.88	1.58	0.38	69.1	0.12	359.1	301.9	72.5	19,300	32.9
>30	9,652	1.77	1.57	0.37	66.6	0.12	376.0	333.5	78.4	20,657	37.4
>25	10,465	1.68	1.56	0.36	64.2	0.12	387.0	359.3	83.2	21,608	40.9
Additional Inferred											
> 50	948	1.88	1.98	0.17	58.9	0.13	39.2	41.4	3.6	1,794	4.1
> 40	1,746	1.58	1.85	0.19	55.5	0.12	61.0	71.0	7.2	3,112	6.6
> 37.5	1,975	1.52	1.83	0.19	54.1	0.12	66.1	79.6	8.3	3,436	7.3
> 35 (Base case)	2,376	1.44	1.69	0.18	52.6	0.11	75.6	88.7	9.5	4,019	8.6
> 30	2,985	1.30	1.70	0.20	50.4	0.11	85.3	111.7	13.3	4,838	10.3
>25	3,776	1.14	1.67	0.22	47.0	0.12	95.3	139.3	18.7	5,706	14.3

*Rounded to nearest thousand

**Totals may not add exactly due to rounding

San Rafael Deposit – Mineral Resources by Class (at a NSR cut-off of US\$35.00)

Class	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured (M)	0										
Indicated (I)	1,983	0.27	3.33	0.47	41.2	0.50	12.0	145.5	20.7	2,627	32.2
M & I **	1,983	0.27	3.33	0.47	41.2	0.50	12.0	145.5	20.7	2,627	32.2
Inferred	1,697	0.12	2.95	0.72	30.1	0.64	4.6	110.4	27.0	1,644	34.9



*Rounded to nearest thousand

**Totals may not add exactly due to rounding

San Rafael Deposit – Mineral Resources at Different NSR Cut-offs

NSR Cut Off (US\$/t)	Tonnes (000's)*	Grade					Contained Metal				
		Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Copper (millions lbs)	Zinc (millions lbs)	Lead (millions lbs)	Silver (000s oz)	Gold (000s oz)
Measured + Indicated											
>50	469	0.37	3.99	0.62	55.1	0.62	3.8	41.3	6.4	831	9.4
>40	1,282	0.30	3.57	0.52	45.5	0.56	8.5	100.9	14.7	1,877	22.9
>37.5	1,609	0.29	3.45	0.50	43.2	0.53	10.2	122.5	17.6	2,236	27.4
>35 (Base case)	1,983	0.27	3.33	0.47	41.2	0.50	12.0	145.5	20.7	2,627	32.2
>30	2,726	0.25	3.09	0.44	38.2	0.47	15.2	186.0	26.2	3,349	40.9
>25	3,512	0.23	2.87	0.40	35.5	0.43	18.0	222.0	31.1	4,006	49.1
Additional Inferred											
> 50	361	0.18	3.69	0.98	39.2	0.72	1.4	29.4	7.8	455	8.4
> 40	1,148	0.14	3.16	0.76	33.7	0.71	3.5	79.9	19.2	1,242	26.1
> 37.5	1,413	0.13	3.04	0.76	31.4	0.67	4.0	94.7	23.5	1,425	30.2
> 35 (Base case)	1,697	0.12	2.95	0.72	30.1	0.64	4.6	110.4	27.0	1,644	34.9
> 30	2,397	0.11	2.77	0.64	27.4	0.59	5.9	146.3	33.6	2,115	45.7
> 25	3,431	0.10	2.53	0.56	24.9	0.53	7.7	191.4	42.2	2,747	58.9

*Rounded to nearest thousand

**Totals may not add exactly due to rounding