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FOR IMMEDIATE RELEASE

June 1, 2009 **#09-24**

Capstone Announces New Life-of-Mine Plan & Mineral Reserve for the Cozamin Copper Mine, Mexico

8.1 million tonne Mineral Reserve Supports 8-year Mine Life Producing Average of 33 million lbs of Payable Copper/year

VANCOUVER, BRITISH COLUMBIA - Capstone Mining Corp. (CS: TSX) today announced an updated life-of-mine plan ("LOM Plan") and mineral reserve estimate for the Cozamin Mine in Zacatecas State, Mexico. This LOM Plan incorporates the mineral resources in the San Roberto area announced on February 18, 2009 and is described in more detail in a Technical Report prepared by SRK Consulting (Canada) Inc. ("SRK") which will be available on Sedar shortly. All currency values referred to in this release are in US$ unless otherwise specified.

Cozamin Mineral Reserve Estimate

Class	Tonnes (000s)	Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)
Proven	1,606	2.02	0.97	0.44	76.9
Probable	6,491	1.57	1.13	0.26	55.4
Total	**8,097**	**1.66**	**1.10**	**0.29**	**59.6**

"The updated mineral reserve estimate for the Cozamin Mine supports an approximately eight year mine life, a significant increase over that previously reported, even after a significant increase in mill throughput resulting from the completion of the Phase III mill expansion," said Stephen P. Quin, President & COO of Capstone. "The new life-of-mine plan for the Cozamin Mine demonstrates robust economic and a net present value of US$172 million at an 8% discount rate, assuming approximately current metal prices and silver prices capped at US$4 per ounce in accordance with Capstone's silver stream agreement. A number of upside opportunities have been identified that could result in a higher annualized rate of production, which we are working to crystallize."

Life of Mine Plan

The LOM Plan was developed from the mineral reserve noted above, excluding any inferred resources, based on a processing rate of 1,015,000 tonnes per year (a nominal throughput of 3,000 tonnes per day, adjusted down for availability). The LOM Plan was prepared by the operating staff at the Cozamin Mine and reviewed by SRK. The annual production profile is set out in the table below.

Annual Production Profile for the Cozamin Mine

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Milling										
Tonnes (000s)	1,015	1,015	1,015	1,015	1,015	1,015	1,015	734	258	8,097
- Copper (%)	1.70	1.87	1.86	1.88	1.51	1.51	1.52	1.47	1.28	1.66
- Zinc (%)	1.22	1.12	1.07	0.98	1.04	1.02	1.11	1.18	1.34	1.10
- Lead (%)	0.51	0.45	0.38	0.34	0.19	0.15	0.17	0.16	0.16	0.29
- Silver (g/t)	72	72	70	68	53	51	48	43	38	60
Payable Metals (in millions)										

- Copper (lbs)	33.1	36.6	36.3	36.8	29.4	29.5	29.8	20.8	6.4	258.6
- Zinc (lbs)	14.8	13.6	12.9	11.9	12.6	12.4	13.5	10.3	4.1	106.1
- Lead (lbs)	6.5	5.7	4.9	4.3	2.4	2.0	2.1	1.4	0.5	29.9
- Silver (oz)	1.6	1.6	1.6	1.5	1.2	1.1	1.0	0.7	0.2	10.4
Cash costs (US$/lb of payable copper)										
Production (on site) costs	1.09	0.99	0.99	0.98	1.23	1.22	1.21	1.25	1.44	1.11
By-product Credits for Zn, Pb & Ag	0.41	0.35	0.33	0.30	0.32	0.31	0.31	0.32	0.38	0.33
Off site cost of Cu concentrate	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Total Cash Cost	1.00	0.96	0.99	1.00	1.22	1.24	1.22	1.26	1.38	1.10

Life of Mine Plan Parameters

The LOM Plan for the Cozamin Mine was developed based on the assumptions and parameters set out in the table below. The operating parameters were generated from recent operating performance achieved at the Cozamin Mine during and after the completion of the Phase III expansion. Capstone believes there are additional opportunities to further optimize these parameters, as discussed below.

Life of Mine Parameters for the Cozamin Mine

	Unit	Value
Metal Prices		
Copper	$/lb	2.00
Zinc	$/lb	0.70
Lead	$/lb	0.60
Silver*	$/oz	4.00
Recovery to concentrates		
Copper in Cu concentrate	%	91
Zinc in Zn concentrate	%	65
Lead in Pb concentrate	%	60
Silver in all concentrates	%	74
Operating Costs		
Unit mining cost	$/t milled	18.03
Unit processing cost	$/t milled	12.99
Unit G&A cost	$/t milled	4.49
Unit cost total	$ millions	35.51
Capital Costs		
Sustaining Capital	$ millions	17.5

**Silver prices are capped at $4.00 per oz in accordance with the silver stream agreement entered into by Capstone in April 2007.*

Economic Analysis Summary

Based on the LOM Plan and economic parameters summarized above, the economic parameters of the project are summarized in the table below.

Summary of Economic Analysis for Cozamin Mine

	Units	Amount
Metal Production		
Copper in Cu concentrate	Tonnes Cu	122,000
Zinc in Zn concentrate	Tonnes Zn	58,000
Lead in Pb concentrate	Tonnes Pb	14,000
Silver in all concentrates	oz Ag	11,468,000
Life-of-mine		
Revenue after 3% NSR	$ millions	521
Operating costs	$ millions	288
Capital costs	$ millions	18
Economic Results		
NPV at 0% discount rate	$ millions	216
NPV at 8% discount rate	$ millions	172

Sensitivity Analysis

A sensitivity analysis was performed individually on metal price, metal grade, capital cost and operating cost. The results of this analysis are summarized in the table below.

Sensitivity Analysis for the Cozamin Mine

Variable	Pre-tax NPV at 8% Discount ($ millions)		
	-20 %	0 %	+20 %
Capital Cost	175	172	169
Operating Cost	217	172	128
Metal Price	90	172	254
Grade	90	172	254

Risks and Opportunities

The principal site specific risks for the LOM Plan identified during SRK's review include the following:

1. Ensuring a supply of water sufficient to sustain 3,000 tonnes per day over the long term. Capstone has a new water well in process to provide excess water capacity.
2. Continuing to ensure that accurate drilling and blasting practices are maintained to minimize dilution, minimize secondary breaking and optimize extraction, with sufficient stopes developed ahead to allow flexibility in the event of problems with any particular stope.

The principal site specific opportunities identified in SRK's review include the following:

1. Mine life may be extended by exploration on the under-explored 4 kilometers of the Mala Noche vein successfully discovering and delineating additional mineral reserves outside of the existing mineral resource area, or by converting the San Roberto inferred mineral resources to mineral reserves, inclusion of the San Rafael mineral resources to reserves, or by Capstone acquiring existing claims which cover the down dip extension of the Mala Noche vein to the east of the current mineral reserve area.

2. Further review of the 31 drill holes omitted from the resource model (due to apparent survey issues) may result in an overall marginal, but locally significant, increase in mineral resources. For example, drill hole U62 (16.2 meters at 3.3% Copper) intersected significantly thicker mineralization than surrounding channel sample data in the drift. If, through resurveying or re-drilling (if necessary), this or other holes were reintroduced into the database, it may result in an increase in the overall mineral resource and reserve.
3. Improved ore handing system in the shaft, which is currently in process.
4. Enhanced 3D mine planning which should result in improvements in efficiencies for access development, stope design, dilution control and optimal recovery of the resource.
5. Continued improvements in metal recoveries, concentrate grades and plant throughput. Steady improvements since the completion of the Phase III expansion show the potential to consistently exceed the life-of-mine assumptions used in the LOM Plan.

In respect of the latter point, the Cozamin mill has consistently exceeded design capacity since February 2009 and appears capable of sustaining higher throughput, which would increase the annualized rate of production, as well as higher recoveries and concentrate grades. Continued outperformance could result in a revision to the mine plan setting out higher production targets.

Mineral Reserve Estimates

The Cozamin mineral reserves were estimated using the mineral resource model provided by Robert Sim, P.Geo. of SIM Geological Inc. ("SGI"). The mineral reserve estimate was prepared by SRK under the supervision of Gordon Doerksen, P.Eng., a Qualified Person under NI 43-101.

The mineral resource model was imported into Gemcom GEMS™ software. Mining shapes were created to define the limit of economic mining blocks from which mineral reserves were estimated. GEMS™ was used to interrogate the resource model and report material within the confines of the mining shapes. Mining recovery and dilution were calculated individually for each stope with due consideration given to the mining method.

An economic NSR cut-off value ("COV") of $35 per tonne was estimated based on historical and projected costs developed from first principles. The basis for the COV came from budget operating costs of $18/t for mining, $12.50/t for processing and $4.50/t for general and administration costs. Metal prices used in estimating the COV were US$1.50 per lb of copper, US$0.50 per lb of zinc, US$0.45 per lb of lead and US$4.00 per oz of silver (the latter based on the silver stream agreement).

Only measured and indicated mineral resource blocks were used in the estimation of mineral reserves. Inferred resources contained within a mining shape were assigned a grade equivalent to dilution. Dilution grades, including any inferred resource blocks, were calculated as the block grade factored down to 33 % of the block copper grade; 33 % of the block lead grade; 33 % of the block zinc grade; and 20 % of the block silver grade.

Technical Report

A National Instrument 43-101 Technical Report in respect of the matters reported herein will be filed on SEDAR, under Capstone's profile, within the next five days.

For further information about Capstone, please contact:

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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 Corp., Bob Barnes, P.Eng. Vice President, Operations – Mexico with Capstone Mining Corp. and Gord Doerksen, P.Eng. of SRK Consulting (Canada) Inc., who is an Independent Qualified Person as defined by National Instrument 43-101 and is responsible for the mineral reserve estimate.

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", "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 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. The Company provides 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.