



CAPSTONE GOLD CORP

***CAPSTONE EXTENDS THE EXPIRY DATE OF WARRANTS AND AGENTS' OPTIONS ISSUED
IN JANUARY 2004***

Dated: January 11, 2006

TSX:CSG

VANCOUVER, B.C. – Capstone Gold Corp. (“Capstone”) announces that it is extending the expiry date for the exercise of certain convertible securities issued pursuant to a private placement that closed on January 26, 2004.

There are 5,930,995 warrants issued to investors (the “Investor Warrants”) as well as 77,830 warrants issued as partial payment of the agents’ fee (the “Commission Warrants”) that are currently outstanding. The Investor Warrants and Commission Warrants are exercisable at \$1.25 per share.

There are 90,635 agents’ options to purchase units of the Company (the “Agents’ Options”) at the exercise price of \$0.75 per unit that are currently outstanding. The units consist of one common share and one-half of one share purchase warrant exercisable at \$1.25 per share. If all Agents’ options are exercised, 45,318 share purchase warrants shall be issued (the “Issuable Agents’ Option Warrants”). There are 659,380 agents’ option warrants issued pursuant to previously exercised Agents’ Options (the “Agents’ Option Warrants”) that are currently outstanding.

The Company is extending the expiry date to exercise the Investor Warrants, Commission Warrants, Agents’ Options, the Issuable Agents’ Option Warrants and Agents’ Option Warrants from January 26, 2006 until May 26, 2006. This change will be effective January 26, 2006.

The exercise of the 766,666 warrants during the extension period of January 27, 2006 to May 26, 2006 held by The Prudent Bear Fund, a shareholder deemed as an insider, shall be subject to shareholder approval of 50% of the issued and outstanding number of shares plus one share determined exclusive of the shares held by such shareholder.

ON BEHALF OF THE BOARD

***“Darren M. Pylot”
President & CEO***

For further information about the Company, please contact:
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