



CAPSTONE GOLD CORP

CAPSTONE PREPARES COZAMIN COPPER-SILVER-ZINC MINE FOR PRODUCTION

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TSX: CSG

VANCOUVER, B.C. – Capstone Gold Corp. (“Capstone”) is pleased to provide an update on mine development and report initial drill results from the Phase III underground definition drilling program at its Cozamin copper-silver-zinc project located in the State of Zacatecas, Mexico.

- All of the planned 1,200 m of initial underground development have been completed, including 14 crosscuts and 19 drill stations.
- 3 drill rigs are currently underground and 42 of the planned 101 drill holes have been completed with assays pending on the unreported intercepts. A fourth drill rig is expected to arrive at the project within a week.
- Underground rehabilitation and development have been completed down to level 9.

These reported holes are from the transitional zone between the zinc-lead-silver dominant Upper Zone and the high grade copper-silver Lower Zone defined by exploration drilling from surface. These first 20 holes comprise 1,800 m of an ongoing 15,000 m underground definition drilling program within the 2 km long San Roberto Mine sector. This drilling will define resources to be developed from the Upper Zone on the existing levels 8 (200 m below surface) and 9 (260 m below surface) close to the existing mine workings. **Capstone’s 13,000 m of earlier surface exploration drilling was focused on the Lower Zone and produced an average true width of 5.9 m with a weighted average grade of 2.6% copper, 87.5 g/t silver and 1.5% zinc** for mineralized intercepts in this zone.

Initial results from the first 20 holes drilled within the Upper Zone are summarized in the table below. A location map with current and planned drill holes is attached.

NQ Core Hole #	From (m)	To (m)	Intersection True Width	Ag g/t	Cu %	Zn %	Pb %
CG-05-U02	43.8	50.0	6.0	95.8	2.2	0.7	0.3
CG-05-U03	54.8	61.9	5.5	95.6	1.6	0.7	0.2
CG-05-U04	62.0	68.4	3.9	82.4	1.1	0.8	1.6
CG-05-U05	42.1	55.0	10.9	110.8	1.3	1.0	1.9
CG-05-U06	49.3	58.3	6.7	122.2	1.7	1.1	1.6
CG-05-U07	32.0	35.7	3.4	105.9	0.6	7.5	8.4
and	46.3	51.0	4.3	63.2	1.5	0.6	0.2
CG-05-U08	40.5	43.1	1.9	144.6	1.2	9.2	12.8
and	50.0	53.7	2.7	56.4	1.2	0.9	0.1
CG-05-U09	50.8	52.0	1.2	90.3	2.5	0.0	0.0
CG-05-U10	49.8	57.3	6.8	67.2	2.2	0.5	0.1
CG-05-U11	52.9	66.7	10.6	59.2	2.1	0.1	0.0
**CG-05-U12	57.5	63.3	3.8	23.0	1.7	0.1	0.0
CG-05-U13	30.8	32.7	1.5	6.1	0.0	3.2	0.0
CG-05-U17	40.6	52.4	8.7	132.7	1.3	0.5	1.6
CG-05-U18	39.7	53.0	9.7	94.1	1.3	0.6	0.5
CG-05-U19	39.8	62.1	18.5	104.7	1.3	1.5	3.5
CG-05-U20	45.9	50.6	3.2	233.0	1.5	0.9	3.9
and	66.0	75.6	6.5	139.5	1.9	0.4	0.6

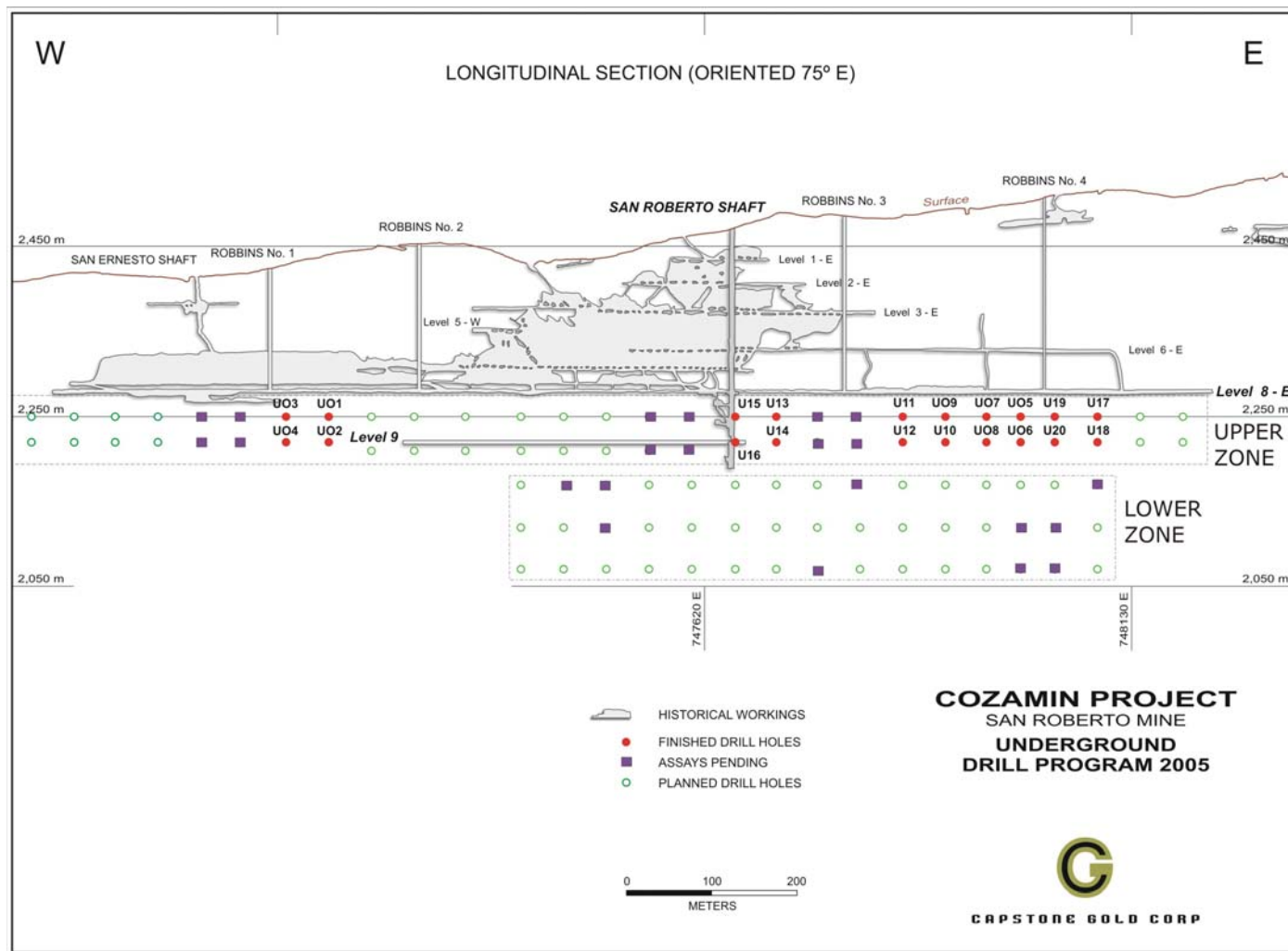
* Holes U01, 14, 15 and 16 intersected the vein and were anomalous but did not encounter strong mineralization.

** Hole U12 had 1.8 m of unrecoverable core within the mineralized section of the vein. A weighted average of the recoverable core grades was used to calculate the reported interval.

A longitudinal section with current and previous drill hole pierce points and grades may be found on Capstone's website at www.capstonegold.com

The reported holes were drilled below the existing level 8 where historical resources are present. They were drilled on sections 50 m apart over a strike length of 1,100 m. These holes intersected the vein between 100-200 m above the earlier Phase I and II surface exploration drill intercepts.

The San Roberto Mine sector covers 2 km of the 5.5 km long Mala Noche vein that lies within the Cozamin property. Mineralization is open in all directions out from the drilling completed in the San Roberto sector.



Sample preparation was conducted by SGS Lakefield Laboratories (“SGS”) in Durango, Mexico and assays were completed by SGS in Toronto, Canada. Duplicate pulps, duplicates from sample rejects, blanks, standards and duplicate core samples were assayed by SGS and ALS Chemex in Vancouver, Canada.

Hugh Willson, Vice President of Exploration for Capstone, a qualified person under NI 43-101, supervised and directed all work associated with the drilling program and this news release.

ABOUT CAPSTONE

Capstone is a mineral exploration company focused on the exploration and development of five advanced projects in Mexico. All of the projects have existing tonnage and grade defined by underground workings. Cozamin is the most advanced of these projects and is being readied for production in 2006. Capstone has approximately 40 million shares outstanding and is well financed with no long term debt. More information is available online at: www.capstonegold.com.

ON BEHALF OF THE BOARD

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