



CAPSTONE GOLD CORP

**RESULTS FROM LOWER ZONE DEFINITION DRILLING CONFIRM HIGH COPPER GRADES
AT COZAMIN FOR CAPSTONE GOLD**

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TSX: CSG

VANCOUVER, B.C. – CAPSTONE GOLD is pleased to report additional assay results from the 2005 definition drill program for the Cozamin copper-silver-zinc deposit located in Zacatecas, Mexico.

Initial Lower Zone intercepts (holes CG-05-U30, U32, and U34 to U39) presented in table 1 below, confirm the high grades encountered by the earlier surface exploration program at a depth equivalent to the future level 10 in the San Roberto mine. At approximately this level, **17 out of the first 20 surface exploration drill holes were mineralized and these mineralized intercepts had an average width of 6.6 m and a weighted average grade of 91.3 g/t Ag, 2.6 % Cu and 1.4 % Zn over a strike length of 1,500 m.** The infill drilling to date has confirmed these higher grades and greater widths. **As shown in Table 1, results for every confirmation drill hole below level 9 in the current drill program have demonstrated very strong copper mineralization over true widths ranging from 2.3 m to 14.8 m.** Results from this drill program are upgrading inferred resources to be developed from the future level 10 currently in development. These definition drill holes lie in a strike distance of 600 m and a vertical distance of 150 m as shown in figure 1 below.

Table 1: Lower Zone (Level 10)

NQ Core Hole #	From (m)	To (m)	Intersection True Width	Ag g/t	Cu %	Zn %	Pb %
CG-05-U30	63.8	69.5	3.7	106.2	2.1	2.4	0.2
CG-05-U32	86.0	102.0	2.3	134.7	2.8	3.4	0.6
CG-05-U34	115.0	132.5	14.8	138.0	2.5	1.0	0.2
CG-05-U35	144.0	165.5	14.6	88.9	2.2	0.4	0.6
CG-05-U36	116.5	127.5	7.1	142.6	4.2	3.1	0.9
CG-05-U37	161.0	167.5	2.4	36.2	2.1	1.1	0.0
CG-05-U38	131.8	143.0	9.0	90.7	2.3	1.3	2.3
CG-05-U39	155.0	175.9	7.8	96.1	2.8	1.3	0.2

The Upper Zone intercepts (holes CG-05-U21 to 29, U31 and U33) are presented in table 2 below. These holes intersected the vein between the existing levels 8 and 9 where previous mining occurred and existing resources are present. **This definition drilling is verifying historical resources, and upgrading inferred resources to be developed from the existing levels 8 (200 m below surface) and 9 (260 m below surface).**

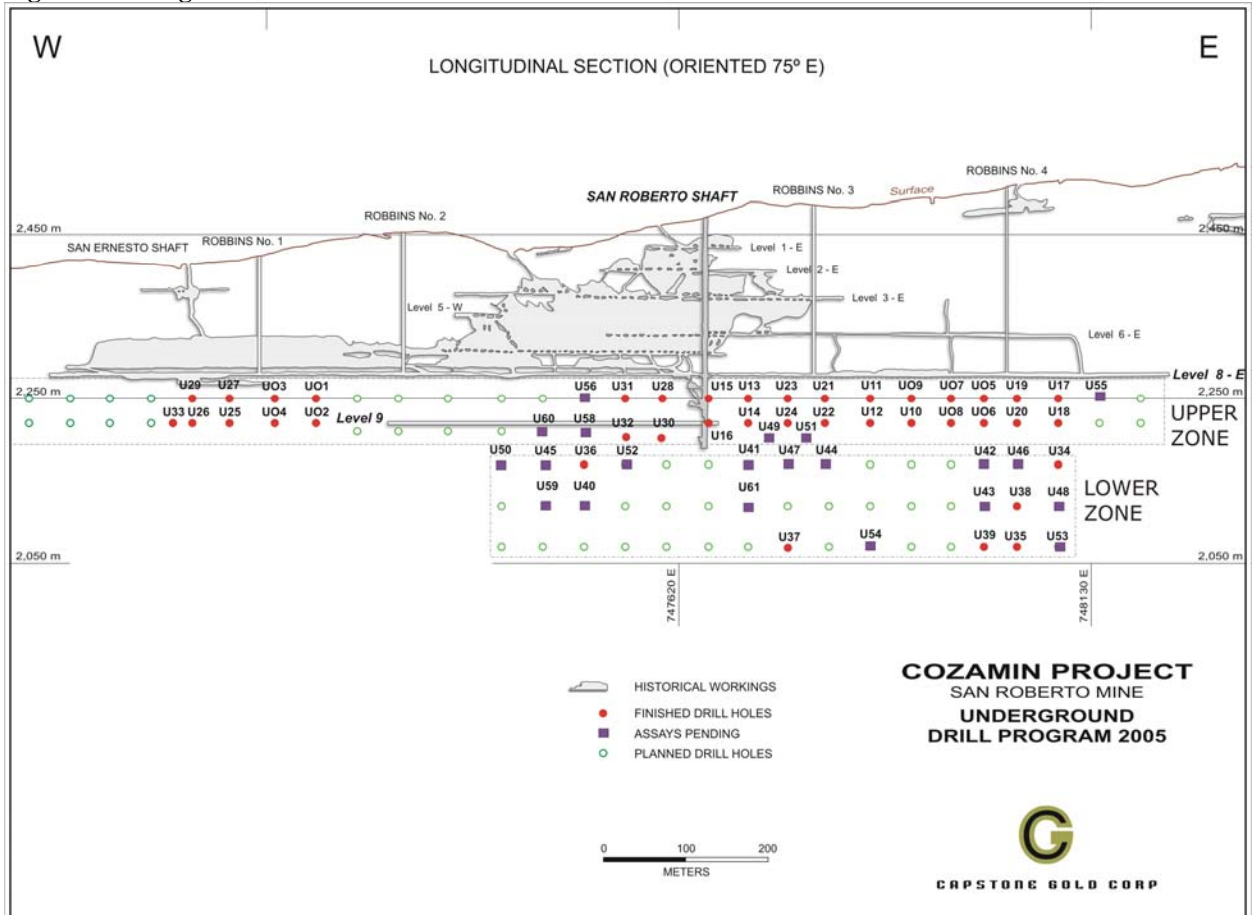
Table 2: Upper Zone

NQ Core Hole #	From (m)	To (m)	Intersection True Width	Ag g/t	Cu %	Zn %	Pb %
CG-05-U21	50.5	55.2	2.9	122.9	1.5	2.1	0.5
CG-05-U22	68.7	73.3	1.8	31.4	1.5	0.1	0.0
CG-05-U25	55.8	63.3	3.5	90.9	1.3	0.6	0.2
CG-05-U26	51.4	54.4	2.3	73.5	1.4	2.5	0.0
CG-05-U27	42.3	49.3	6.9	82.8	1.4	4.3	0.1
CG-05-U29	57.9	61.3	2.6	105.2	1.6	1.7	0.6
CG-05-U31	52.5	61.5	6.8	51.5	0.6	4.7	0.6
CG-05-U33	65.0	70.0	2.8	82.7	0.9	3.0	0.6

* Holes U23, U24 and U28 intersected the vein and were anomalous but did not encounter strong mineralization

* Hole U27 had 0.25 m of no recovery which was estimated to be the average of the two adjacent samples.

Figure 1 Underground Drill Hole Locations



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

- 4 drill rigs are currently underground and 61 of the planned 101 drill holes have been completed with assays pending on the unreported intercepts. All of the planned holes are expected to be completed within the next 60 days.
- Underground drifting to the east on level 9 towards the recently defined resources has started and is expected to be drifting in the mineralized vein within 30 days
- An underground decline ramp to extend down from level 9 to the future level 10 has been started and is expected to be completed by mid October, 2005.

Capstone anticipates completing the current 15,000 m underground definition drill program by the end of September 2005. A Geological model is currently being constructed as a basis for a 43-101 compliant resources estimate to be completed by the 3rd quarter of 2005.

Drill results from the initial holes CG-05-U01 to U20 were reported in the July 6, 2005 news release.

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.

The final results from the last of the surface exploration drill holes (CG-04-30 to 32 and CG-05-33 to 37) are presented in Table 3. These holes were drilled over a strike length of 3.2 km and mostly on targets peripheral to the San Roberto Mine. The results demonstrate that the mineralization in the San Roberto Mine is open in all directions.

Table 3: Surface Exploration Hole

NQ Core Hole #	From (m)	To (m)	Intersection True Width	Ag g/t	Cu %	Zn %	Pb %
CG-05-33	666.2	668.2	1.7	14.0	0.2	8.0	0.0
CG-05-34	104.1	111.1	6.1	37.0	0.0	6.9	3.0
and	565.9	572.5	6.0	40.0	1.7	0.1	0.0
CG-05-35	252.6	254.3	1.5	79.8	0.9	3.7	0.0

* Holes CG-04-30, 31, 32 and CG-05-36 and 37 intersected the vein and were anomalous but did not encounter strong mineralization.

These exploration holes were assayed by ALS Chemex in Vancouver. Duplicate samples for the entire vein width were assayed by BSI Inspectorate in Reno and confirmed the Chemex results.

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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