



**CAPSTONE GOLD CORP**

***CAPSTONE CUTS BONANZA GRADES AT ITS COPALA SILVER-GOLD PROJECT, SINALOA STATE, MEXICO***

**Dated: September 29, 2005**

**TSX:CSG**

VANCOUVER, B.C. – Capstone Gold Corp. (“Capstone”) is strongly encouraged by initial assay results from its Copala Silver-Gold project located 60 km ENE of the city of Mazatlan, Sinaloa State, Mexico. These first two holes are from the ongoing Phase I, 2,500 m surface drill program. Capstone is exploring the Animas-Refugio vein peripheral to the historic workings of the San Carlos Mine with 14 HQ core holes.

| <b>NQ Core Hole #</b> | <b>From (m)</b> | <b>To (m)</b> | <b>Intersection True Width</b> | <b>Au g/t</b> | <b>Ag g/t</b> |
|-----------------------|-----------------|---------------|--------------------------------|---------------|---------------|
| CC-05-01              | 121.0           | 126.5         | 5.1                            | 0.6           | 85.3          |
| Including             | 123.5           | 125.8         | 2.1                            | 1.1           | 157.1         |
| CC-05-02              | 126.5           | 137.5         | 8.7                            | 2.3           | 233.1         |
| Including             | 126.5           | 128.8         | 1.8                            | <b>8.9</b>    | <b>798.1</b>  |

These drill holes successively cut the Animas-Refugio vein at 30 m and 75 m down dip from the historical workings. Hole CC-05-01 was diminished by strong faulting. **Hole CC-05-02 showed the Animas-Refugio quartz vein to have a true thickness in excess of 10 m and to host bonanza grade mineralization exceeding 75 ounces per tonne silver and 1 ounce per tonne gold.**

**Hole CC-05-03 has cut the vein 100 meters below the second hole in the same E-W cross section as holes one and two. The true thickness of the vein increased to 18 m.** Assays from this hole are anticipated in October 2005.

The Copala project (5,149 ha) is easily accessible by a paved highway from Mazatlan. There are several NW striking epithermal veins within the project over an E-W distance of 10 km. These veins have strike lengths varying from 2 to 4 km within the project. Exploration by the previous operator, Grupo Minero Bacis SA de CV (“Bacis”) included mapping, underground and surface sampling, drifting and drilling. A total of 3,200 m of drilling by Bacis was completed on the Animas-Refugio vein structure producing drill intercepts of up to 11.8 g/t gold and 2,534 g/t silver over 3.2 m.

The San Carlos Mine workings have a strike length of 300 m and are developed over a vertical range of 125 m. Underground channel sampling by Bacis in the 1990’s indicates that in the lowest levels of the mine, the Animas-Refugio vein averaged 4.5 m in true width and graded more than 2.5 g/t Au and 300 g/t Ag. The San Carlos Mine lies at the south end of a 2 km long section of the Animas-Refugio vein that has 3 other areas of historic underground workings within a contiguous block of claims controlled by Capstone.

In the San Carlos Mine area, the Animas-Refugio vein strikes N-S and dips at 60 degrees to the west. The quartz-pyrite vein is hosted by argillized and silicified quartz diorite and andesite. Topographically, the San Carlos Mine is the highest of 7 zones of historic mine workings on the Animas-Refugio vein. These first drill results have given Capstone management confidence that the strong silver and gold mineralization sampled by Bacis extends to depth.

The Phase I drill program is scheduled to be completed in November 2005.

Capstone has an option to earn a 90% interest in the Copala project by spending US\$1,000,000 on exploration and development costs, subject to a 1.5% N.S.R.

Samples were assayed by ALS Chemex in Vancouver. Duplicate pulp and core samples have been sent to BSi Inspectorate in Reno Nevada.

Hugh Willson, Vice President of Exploration for Capstone and a qualified person under NI 43-101, has supervised the Copala Project from its inception.

## **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](http://www.capstonegold.com).

## **ON BEHALF OF THE BOARD**

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