



**CAPSTONE GOLD CORP**

**NEWS RELEASE**

***Capstone begins a 5,000 meter Drill Program on its  
Cozamin Copper-Gold-Silver Project in Mexico***

**NR 2004-05**

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VANCOUVER, B.C. – Capstone Gold Corp. (“Capstone” or the “Company”) is pleased to announce it has begun the Phase 1, 5,000 meter drill program on its Cozamin Copper-Gold-Silver Project located in Zacatecas State, Mexico. Capstone has an option to earn a 90% interest in the Cozamin Project from Cozamin S.A. de C.V., a 100% owned subsidiary of Compania Minera Basis, S.A. de C.V. (“Basis”).

The Cozamin Project is a multi-vein epithermal system located 3.8 km west of the city of Zacatecas. The Mala Noche vein is the main exploration target. This structure outcrops for over 5.5 km and ranges from 5.0 to 18.0 meters in true width. Approximately 600,000 tonnes of ore has been processed by previous operators and a 750 TPD mill is still on site and capable of being upgraded to 2000 TPD. In 1997 Basis processed 250,000 tonnes of ore grading 90 g/t Silver, 0.5 g/t Gold, 2% Copper, 1.8% Zinc and 0.6% Lead.

The current 5,000 meter HQ drill program currently underway, is being conducted by Britton Brothers Drilling Company and will be distributed in up to 15 holes which will be directed at verifying and expanding the resources previously announced.

Other successful drilling programs (as reported in the technical report dated November 25, 2003) were directed at locating and expanding reserves along 1.5 km of the vein strike length and to a depth of 250 meters, below the relatively shallow historical mine workings. These were limited programs and the holes were widely spaced. It was recognized that the vein was demonstrating metal zoning from being zinc, silver and lead-rich near surface to increasing amounts of gold and copper at depth. A summary of the significant drill intercepts outside of the inferred resource blocks follows:

Hole#	Length Hole Meters	Intersection True Width	Cu%	Pb%	Zn%	g/t	
						Au	Ag
CZM-1	229.5	4.20	1.64	0.50	1.92	0.26	83
CZM-3	331.8	5.40	2.47	0.59	2.32	0.25	129
CZM-8	359.6	14.40	1.34	0.06	0.67	N/A	28
SR-1	231.6	1.10	2.54	0.16	0.02	0.17	20
SR-2	330.8	14.20	1.4	0.24	1.29	0.40	118
SR-3	257.1	14.75	1.49	0.22	0.39	0.40	109
SR-5	420.2	12.50	3.37	0.08	0.25	0.40	103
ZC-72	220.0	4.20	2.89	0.20	0.50	0.20	90

Also a CSAMT geophysical program is currently underway over the 5.5 km strike length of the Mala Noche vein. The objective of the survey is to identify the sulphide rich portions of the vein at depth and in the same region as the mineralized intercepts shown above.

The Company's VP of Exploration Hugh Willson, P. Geo, a qualified person as defined by National Instrument 43-101, is supervising the current drill program.

A total 2004, Phase 1 exploration budget of \$US 2 million is planned on the Cozamin copper-gold-silver project and five advanced epithermal silver-gold mineral projects, also located in Mexico.

Forward-looking Statements, including descriptions of planned exploration and development of mineral projects in Mexico, are subject to various risks and uncertainties that may be encountered during mineral exploration and development operations. Such information contained herein represents management's best judgement as of the date hereof based on information currently available.

**ON BEHALF OF THE BOARD**

***"Darren Pylot"***  
***President***

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