



CAPSTONE GOLD CORP.

NEWS RELEASE

Capstone Increases \$7.5 Million Private Placement

Dated: January 6, 2004

TSXV: CSG

VANCOUVER, B.C. – Further to Capstone's October 28, 2003 news release, Capstone is pleased to announce that the agents have exercised their option to increase the size of the Offering by 20%. Also, there will be an additional 150,000 units issued under the same terms and conditions.

The total units issued will be 12,150,000 for gross proceeds of \$9,112,500.

The private placement is subject to certain conditions including all of the necessary regulatory approvals.

Proceeds of the private placement will be used towards funding exploration and development on the Bacis and Ventanas projects in Mexico, and general corporate purposes.

CAPSTONE GOLD CORP.

Noah Croom, Director

**THE TSX VENTURE EXCHANGE HAS NEITHER APPROVED OR DISAPPROVED OF THE CONTENTS
HEREIN.**

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