



CAPSTONE GOLD CORP

CAPSTONE INTERSECTS 14 M OF 3.9% COPPER AND EXTENDS THE SAN ROBERTO ZONE 500 M EAST IN A STEP-OUT HOLE AT ITS COZAMIN PROJECT, ZACATECAS, MEXICO.

Dated: September 28, 2004

TSX: CSG

VANCOUVER, B.C. – Capstone Gold Corp. (“Capstone”) is pleased to announce results from five additional drill holes at the Cozamin Copper-Silver-Zinc deposit in Zacatecas, Mexico. These reported holes are the final four (CG-04-16 to 19) from the Phase I, 7,500 m drill program and the first hole (CG-04-20) from the current Phase II, 7,000 m surface drill program on the Mala Noche vein in the San Roberto sector. The Phase II drill program is designed to test below and along strike from the previous Phase I drill program and the earlier San Roberto mine workings. Drilling and mapping to date indicate that the Mala Noche vein extends more than 2.0 km in strike and at least 450 m in depth.

Capstone has now received assay results from 20 drill holes totaling 7,850 m. The previous 15 holes were reported in the June 11 and September 8, 2004 press releases. The mesothermal Mala Noche vein remains open in all directions. The assays were performed by BSi Inspectorate and duplicate samples for the entire vein width, that were assayed by ALS Chemex, confirmed the BSi results.

A summary of the most recent drill results is presented in the table below.

NQCore Hole#	From (m)	To (m)	Intersection True Width (m)	Cu %	Ag g/t	Zn %
CG04-16	317.4	321.9	3.9	1.5	62.2	0.5
CG04-18	344.4	361.4	14.1	3.9	82.2	0.4
Includes	347.2	354.9	6.4	7.0	145.6	0.4
CG04-19	190.4	198.3	6.0	1.6	58.2	2.2
Includes	191.8	194.1	1.7	4.4	106.0	0.5
CG04-20	312.7	321.0	6.8	1.4	100.3	4.8
Includes	317.6	320.7	2.6	1.9	138.7	2.7

* Hole CG-04-17 was anomalous but did not encounter any significant mineralization.

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

The excellent vein width and copper assays in drill hole CG-04-18 confirm the high grade and significant width in the eastern part of the zone. In this same area, drill hole CG-04-03 graded 4.35% copper and 99.6 g/t silver over 14.9 m true width and CG-04-10 graded 2.5% copper and 107 g/t silver over 9 m.

Drill hole CG-04-20 was a long step-out from the earlier San Roberto mine workings and all of the Phase I drill intercepts. Located 500 m to the east of this area, the vein width and grades in this hole are consistent with previous results and demonstrate that comparable copper and silver mineralization may be present for a considerable distance along the 5.5 km strike length of the Mala Noche vein system.

In the 7,000 m Phase II drill program currently in progress at Cozamin, a Longyear 38 is being used to test the Mala Noche vein east of CG-04-20 and down to the 2150 masl level (400 m below surface) which was the principal target of the Phase I drilling. In addition, a Longyear 44 is being used to drill five holes targeted at the 1900 masl level (650 m below surface). Also, the Longyear 44 will drill two 1,000 m holes targeted on a large geophysical anomaly at a still deeper level.

Assays for the remaining Phase II drill holes will be reported when they are made available to Capstone from the laboratory.

Jack Marr, P.Geo. a director of Capstone and a qualified person under NI 43-101 has reviewed all assay results and has supervised the preparation of this news release.

Other News

Capstone has terminated its joint venture agreement with Minas Sanluis, S.A. de C.V. a wholly owned subsidiary of Wheaton River Minerals Inc., to acquire a 60% interest in the Ventanas gold/silver project located in the state of Durango, Mexico. During 2003 and 2004, Capstone spent approximately US\$ 500,000 on a Phase I exploration program which did not produce enough positive results to justify the second year commitment of a further US\$ 500,000 in exploration costs. Capstone will focus all of its resources on its option with Grupo Bacis to acquire a 90% interest in five advanced mineral projects including the Cozamin project, all located in Mexico. The terms of the option agreement have been previously disclosed in the January 27, 2004 news release.

ON BEHALF OF THE BOARD

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