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OPERATOR: Ladies and gentlemen, thank you for standing by and welcome to the Capstone Third Quarter Results conference call. At this time all participants are in a listen-only mode. Following the presentation we will conduct a question and answer session. Instructions will be provided at that time for you to queue up. If anyone has any difficulties hearing the conference please press star followed by the zero and an operator will assist you. I will now remind everyone that this conference is being recorded today, Friday, November 13th, 2009.

I will now turn the conference over to Darren Pylot, Vice Chairman and CEO. Please go ahead sir.

DARREN PYLOT: (Vice Chairman and CEO, Capstone Mining): Thank you Operator and good morning, ladies and gentlemen and thanks for attending Capstone's third quarter and year to date financial results conference call. On the line with me today is our President and COO, Stephen Quin, and Chief Financial Officer, Richard Godfrey. All the financial numbers quoted during the call will be in US dollars. We do not compare our Q3 financial results to prior year quarter as we don't think useful information given that they will only be (inaudible) pre-merger quarter numbers. We do, however, report to discuss year to date results and discuss the (inaudible) and compared (phon) information for the three quarters of 2009.

Financial and production highlights for the three months ended September 30th, are as follows; we recorded a net loss of \$10.3 million or \$0.05 a share which included earnings from mining operations of 26.7 million, a loss of 38 million on derivative instruments which is made up of a realized loss of \$1 million on copper forward sales set out during the period and an unrealized non-cash loss of \$37 million on the reduction of the derivative instruments asset mark to market value over the period and this is due to the increase in the copper price over the year. We had adjusted net earnings of \$18.1 million or \$0.09 a share. We generated cash flow from mining operations of 36.6 million or \$0.19 a share.

Working capital which includes 94.4 million in unrestricted cash was about 106.7 million at September 30th. We sold 24.6 million pounds of copper, 2.9 million pounds of zinc, 2.8 million pounds of lead, 9500 ounces of gold and 446,000 ounces of silver. We produced a total of 17 million pounds of payable copper at an estimated total cash cost of \$1.14 per pound of payable copper. The financial highlights for the nine months up to September 30th follows. We recorded a net loss of \$700,000, which includes earnings from mining operations of \$65 million, an (inaudible) investments of \$40.8 million which resulted from the share exchange going from Silverstone shares into the Silver Wheaton shares. Also a net loss of \$104.7 million on derivatives which is made up of a cash gain during the period of 22.9 million and that realized non-cash loss of 127.6 million over the period based on the derivative asset mark to market over the period—of the copper price again increasing through the nine months. Our adjusted net earnings were \$64.5 million or \$0.36 a share. We have generated cash flow from mining operations of 85.5 million or \$0.47 a share.

Working capital, which includes, as I said earlier, the 94.4 million unrestricted cash has gone up to 106.7 million which has gone—which is a big increase in the 35.4 million we started with at December 31st 2008, or at the beginning of the year. So far this year, we've repaid \$54.9 million in debt and that relates directly to the project loan facility which will be paid out by the end of this year. Capital leases and convertible debentures have also been paid down. We've sold 59.7 million pounds of copper, 10.4 million pounds of zinc, 6.6 million pounds of lead, 26,800 ounces of gold and 1.3 million ounces of silver so far this year. We've produced so far a total of 64.4 million pounds of payable copper at an estimated cash cost of \$0.99 a pound for payable copper.

Also in the quarter, we purchased 3 mineral claims that are within the immediate area of the Cozamin mine, both down dip and along strike to the current reserve block. These claims are going to open up potential for the discovery and definition of additional mineral resources on these newly acquired claims, so they're key claims, well we're very happy to be able to acquire these claims along strike of the (inaudible) vein system. We also issued a preliminary economic

assessment on the Kucho (phon) project and defined a lower-grade, high-risk underground development scenario with a significantly reduced environmental footprint.

Recommendations on going forward included focusing on opportunities for enhance returns from (inaudible) performance and reduced energy costs. We're currently conducting the metallurgy test to improve recovery at both our Lakefield (phon)—or our Cozamin which just pretty well the same ore type as what we're doing at Percucho (phon) so able to test that and that metallurgy recovery at Cozamin. The proposed highway 37 power line will be permitted to extend through the Dease Lake which is where we would tie in Percucho for the power.

Although the actual construction of the power line is currently only proposed to just over half way to Bobquin (phon) Lake, we expect, with the amount of mining operations up and around the Dease Lake area, that the power line will eventually connect up to Dease Lake which will vastly enhance our energy costs at Percucho project. We also announced additional high grade results from drilling our newly discovered Minto North deposit. Minto drilling was completed in preparation for incorporation of this mineral resource into our Phase IV expansion of the Minto Mine. We received permission from regulators to discharge excess runoff water collected in the Minto Mine open pit following unusually high spring runoff in Q2 of '09. Discharge continued throughout Q3 in turn in which there was no access to the ore in the pit, forcing us to rely on our lower-grade stockpiles for that period. Access to the pit was re-established at the end of Q3 and we are currently mining high-grade ore according to plan.

We also announced delays in commencing production from higher grade portions of our Cozamin mine. We restricted mine production to less than the available mill capacity. We have since completed (inaudible) development with the large high graded stokes (phon) and also (inaudible) mining those areas according to plan. We also purchased 4.5 million units of Nevada Copper Corp. by way of appraised placement, each unit consisted of one share and a half warrant. The cost of each unit was 250 for a total investment of 11.25 million. Each warrant is exercised one to one—each (inaudible) is exercised one to one common share for a period of two years from the closing date at a price of \$3 per common share.

These (inaudible) Nevada Copper gives Capstone exposure to large times relatively high grade copper deposit located in one of the best mining jurisdictions in the world, being Nevada. Due to its relative high copper grade, we believe this project has options and flexibility relative to its initial size and CAPEX requirement. I will now have Stephen provide our operational results for the Cozamin and Minto mine and Percucho as well.

STEPHEN QUIN (President and COO, Capstone Mining Corp): Thank you very much Darren and to do with your (inaudible) of the highlights of what's been happening at both of the mines, production statistics are in our news release and MD&A and I'll focus on this, the major activities and developments at the mines and we did produce about 80 million pounds of (inaudible) copper at Cozamin during the quarter and we will see significantly higher zinc and lead, 3.2 million pounds of zinc and 5.1 million pounds of lead during the quarter and that again is significantly higher by (inaudible) and dropped our cash cost down to \$0.35 a pound. This is essentially higher to what Darren mentioned earlier where we were (inaudible) in assets (inaudible) to the higher grade copper (inaudible) at Cozamin. As a result, we had to go back to some of the higher lead and zinc areas and in the (inaudible) the mine and extract ore from there so lower copper grade but higher lead and zinc which gives you a higher by-product credit and that mining those areas because they are narrower and less productive, also manage to (inaudible) available to come out of the mine which basically restricted capacity of the mill to about 2200 (phon) tonnes a day.

However, people should be aware that we would typically run the mill 34, 3500 tonnes a day when there was ore available and then we'd shut down for two or three days when we'd eventually (phon) run out of ore. So what the key, I think we've looked at in this period – is the mill can significantly help perform its designed (inaudible) of 3000 tonnes a day on a sustained basis, we just have to get the ore out from underground and (inaudible) that mill. And then Darren mentioned we're already doing that, we have opened that area up and are now producing from it.

Going to the back of the quarter again, due to completion and we produced 7.8 million pounds of payable copper and as I mentioned the \$0.35 cash cost pretty driven down by much

higher than typical (inaudible) credit because of the higher lead and zinc by-products coming out of there. At the beginning of the year, we did provide guidance to about 35 to 40 million pounds of copper in concentrate and this obviously is dependant on sustained (inaudible) from the new areas we've just opened up over the last two or three weeks but we anticipate that we should be towards the high end of that guidance for the quarter.

As production is primarily coming from the deeper levels of the mine, and we've recently opened up the 11 and 11.3, 11.6 and on our way to the 12 level and that's really accessing that high grade (inaudible) mineralization on the eastern side of the mine. Typically that area averages about two and a half percent (phon) copper versus the reserve grade of 1.7 percent, so a significantly higher grade in copper, it also averages about 25 to 30 meters thick versus the average of about 8 meters for the overall vein. So a significantly higher grade and significantly wider than the average overall reserve grade and that's going to be the core area for production for the next few years and that's why we wanted to get the development in the right place, get it developed right so that can sustain us for the next couple years. We spent about \$8.3 million in capital for this year, the principal things are completing some components of what the expansion to 3000 tonnes a day which is primarily putting in underground (inaudible) paths and underground crushing system in place or relocating it from higher up in the mine and the other components are—we are connecting to a power line, high tension power line that (inaudible) bypasses the city (inaudible) and we do have a number of power interruptions as a result of kind of winding (phon) our way through the city in a relatively low tension line which goes to a mainline and completely bypasses the city so that result is we should have much more reliable power supply. So that should obviously give us the benefit of going forward as we become less reliant on diesel to support those operations.

Operation side of Cozamin has been relatively quiet as of the last two or three years as it's really been the focus of—the workers were even focused on the infield (phon) drilling and drive to find reserves. Now that is completed and the reserve update was announced in June; we are now stepping out and looking at where we go to add the next level of growth to this project

and, as Darren mentioned, we acquired three claims that were immediately adjacent to some of the very high grade, wide (phon) mineralization

I was just talking about and that high grade wide mineralization goes right up to the property boundaries and so you look at our presentation (phon) and you see the grey (inaudible) thickness contouring, we do have (inaudible) on that claim boundary and essentially there is no geologic reason why that mineralization should not continue across that boundary and so we are (inaudible) development across that boundary so we can drill and look to extend that high grade across the boundary (inaudible) in the same area is—we discovered some zinc (inaudible) mineralization under the old (inaudible) workings and as we got to the bottom of those workings, the copper grade jumped from 0.1, 0.2 percent copper up into the one and a half percent copper and so we're basically seeing the same kind of transition to higher grade copper.

We went a step down below that and again that goes onto those newly acquired claims so there's two reasons to acquire those claims and we are evaluating both of them over next year. The other aspect of Exploration Cozamin is we are conducting basically mapping (inaudible) program over the entire property, doing (inaudible) geochemistry and proving (phon) all that you end up with the objective of coming up with drill targets for 2010, looking for new ore bodies under extensive part of the property that we have done no exploration on to date.

Looking at the Minto mine now, essentially the mill was expanded to a nominal 3200 tonnes a day and to (inaudible) on both mines when we talk about a nominal daily rate, that's just an on average daily what we should achieve, it does not account for availability, (inaudible) and so on. And we produced 9.5 million pounds of contained copper along with about 5700 ounces of gold and 25,000 ounces of silver as by-products during the quarter.

We processed an average of about 28 to 70 (phon) tonnes a day which was, I think, our highest quarter and September was also our highest (inaudible) month ever and we also set a single day record of over 4000 tonnes a day. We're still continuing to essentially de-bottleneck the process plant and we're looking to keep pushing that up to eventual rates of about 4000 tonnes a day. Cozamin, (inaudible) is not ore constrained here, we have plenty of ore and open pits are a lot easier (inaudible) and that combination improving through-put (phon) and improving

of (inaudible). One of the components there is we've just recently put in a new crusher, a secondary crusher which replaced contract crushing and should again be a part of that (inaudible) de-bottlenecking and improving that through-put.

We produced 9.1 million pounds of payable copper, a cash cost of \$1.47—that \$1.47 is significantly higher than typical quarters and is purely related to the fact that we had, as Darren mentioned, no (phon) access to the pit during Q3 so we processed lower grade stockpiles and lower grade stockpiles means less copper production but you have the same dollar cost for those pounds and that's where your cost per pound goes up. Based on re-accessing the pit, the water is essentially removed and we use the word 'essentially' because there is still a small quantity of water left in the pit so it will just be removed during normal operating process. Now that that is essentially complete, we're back into high grade, that high grade is taking the (inaudible) and we see the substantial increase in mill throughput—sorry, mill grade in the last two weeks and that should give us a strong Q4 and push costs down again.

We have though, in this announcement, revised our guidance to 55 million pounds, slightly below the prior guidance range of 60 to 65 million pounds and so we tend have in the operating release (inaudible) this release given that it took a little bit longer than planned to ramp up in the (inaudible) once we got all the water out, had to clean it up, re-establish, (inaudible) and kind of a clean working area. And that essentially pushed some of that high grade production two or three weeks later so we think it's more realistic to 55 million pounds that will be achievable for this year overall.

The (inaudible) study is underway—or sorry, is nearing completion on the Phase IV expansion of Minto as we announced in our Q3 operations release, (inaudible) originally looking at 4 or 5000 tonnes a day but when we did the review with our engineers of the plant and it's capacity, it really became clear that there were two thresholds that we could achieve, that we could get to 4000 tonnes really, you know, de-bottlenecking exercise (inaudible) less than \$10 million and we can get that done very quickly and effectively so that's really the focus of the Phase IV study and a further expansion beyond that being considered, we can look at what's the maximum size this mill could go to and then we can put in our Q3 operations report it's about

7500 tonnes a day. So one avenue to go for is to push that mill up again and bring lower grade material into reserve by a significant pay expansion. The other avenue we've also talked about is also looking at going underground and parallel with the open pit and going for higher grade material. So there are two separate options and they will be looked at in 2010 following completion of this Phase IV study which should be done in the next couple weeks.

Capital expenditures are about \$10.5 million, about half of that amount is water treatment related, essentially so we don't have to deal with the problems of this year and it's really about half and half split with—half of it for diverting, just clean (phon) runoff water around the site and the other half is to put a much larger water treatment plant in place so any water we do get we can treat much more quickly – and that's about half of the capital. We also, as mentioned, put a new crusher in, that's just under a million dollars, and (inaudible) amount of about six and a half million has already been spent to the end of September.

We are continuing exploration, we have been doing some drilling of (inaudible) target over the last month or so and results of those should go out relatively quickly. (Inaudible) anticipate a total of \$4.9 million will be spent on exploration during the fall of 2009 and much of that was spent by the end of September already. So looking out there and despite our production delays of both mines, the (inaudible) is looking very positive and we should have production of about 95 million pounds of copper in concentrate, we still anticipate our corporate combined costs to come at about a dollar a pound, obviously Minto looks to come in a bit higher, Cozamin a bit lower – (inaudible) production guidance for each of the mines individually, so overall (inaudible) to about a dollar a pound. And we expect continued strong capture from operations based on that production level, obviously much stronger copper prices than we had earlier in the year and we had—have about 9.4 million pound of copper for the closing Q4 at an average price of 251 (phon) a pound. So (inaudible) operations highlight, you know, if anybody has questions, obviously we're here to answer those. I will turn it back to Darren and...

DARREN PYLOT: I think we'll just open the floor up now for any questions anybody has at this time.

OPERATOR: Ladies and gentlemen, we will now conduct the question and answer session. If you have a question, please press the star followed by the one on your touchtone phone. You will hear a tone acknowledging your request. The questions will be polled in the order they are received. Please ensure you lift your handset before using—if you are using speakerphone before pressing the numbers. Once again, if you have a question, please press the star followed by the one at this time. Our first question comes from the line of Aura Fokadow (phon) with Cannacord Adams, please go ahead.

OREST WOWOKODAW: Hi, good morning guys. I assume with the recent private placement with Nevada Copper that's given you an opportunity on some long-term growth but am I correct in assuming that you're still pursuing something with a shorter term to production focus and I'm wondering what kind of update you can give us there.

DARREN PYLOT: Yeah well I mean the Nevada Copper (phon) has (inaudible) did a longer term, they're just going into their (inaudible) I believe so we'll obviously see a keen investor and we're going to watch them progress through there but that doesn't stop us by any means on our parallel track which is possibly working on acquiring a producer which would give us that short term increase in production. We continue to evaluate within the Americus you know, so a lower tonnage, lower cash cost operation that are producing copper and a balance sheet and our team both, we have an open pit and underground operations team and a strong balance sheet so we do have the tools to go out and make that acquisition if we can find the desired one. So that's the number one focus for us going forward.

OREST WOWOKODAW: Are you still looking fully at production vehicles or are you looking at things that are not that far from production now?

DARREN PYLOT: Well, we are looking at some development, obviously with the Nevada Copper investment and—but in terms of production, yes, near term from production within a year, or currently in production.

OREST WOWOKODAW: Okay, great. Thanks Darren.

DARREN PYLOT: Thank you.

OPERATOR: Thank you. Our next question comes from the line of Nawojka Wachowiak with Genuity Capital Markets, please go ahead.

NAWOJKA WACHOWIAK: Yes, good morning, it's Nawojka Wachowiak. I'm just wondering if you're willing to give us a bit more guidance as to kind of where we could expect 2010 production at Minto to go given that you had the delays in accessing some of the high grade ore in 2009, is the mine plan or how you view the operation changed at all? And also, I'm sorry, I didn't—I really didn't hear any of the answers on the Nevada Copper side that Stephan just asked. I guess my question would be; you can always take in an equity holding in the Company, is this kind of how you're going to be looking at kind of pursuing some of your growth opportunities? Taking some equity stakes and some developing projects, or is this kind of a one-off that you've found this project particularly compelling and you wanted to take a stake in it right away? Thank you.

STEPHEN QUIN: I'll start on the operational side and then I'll let Darren talk about the Nevada Copper situation. On the operational side, (inaudible) is that this year and next year be approximately similar in prior publications but (inaudible) completely new (inaudible) coming out later this month and then we expect it'll be dramatically different in that we did in our Q3 operations report. (Inaudible) of about 50 million pounds a year on average, but if the higher grade is up front in the Minto North the Minto (inaudible) next year we still have a significant amount of high grade to come out of the pit. But the average for the next several years, we expect to see about 50 million pounds, but with this Phase IV expansion then the question is where do we go from there? (inaudible) study is do we expand the mill again or go underground and go after higher grade that is not currently within any pit that is being contemplated.

DARREN PYLOT: On the Nevada Copper as I said previously, you know, we find this project, I'll call it interesting right now because there's not a lot of data...I think they've got a preliminary economic assessment out but we definitely like the project from afar, we like the grade, we like the (inaudible) Nevada and we like the scale and size and flexibility of the project being you can start off at start of smaller rates and move it up (inaudible). So we like this project, we're investors at this point and we'll monitor their progress as they work through (inaudible),

right? And the more (inaudible) to assess it. I don't think we expect to do a whole bunch of these—these investments, we just look for projects we like with (inaudible) that are manageable with our balance sheet sitting at somewhere up around 150 million in cash and (inaudible) investments. We think that building mine projects up in the 3, \$400 million range is sort of our target if we're going to build something (inaudible) option, see how it goes. And it doesn't constrict us in going ahead and continuing to evaluate and look at (inaudible) producing opportunities in the states as well.

NAWOJKA WACHOWIAK: Okay great. Thank you so much.

OPERATOR: Thank you. And as a reminder, ladies and gentlemen, if there are any additional questions at this time, please press the star followed by the one and if you are using speaker equipment, please lift your handset before making a selection. Our next question comes from the line of John Hughes with Desjardins Securities, please go ahead.

JOHN HUGHES: Thank you Operator. Just a couple quick ones left. Stephen, on the way-stripping (phon) for the Phase IV north pit push back, is the stripping completed or does that progress through the fourth quarter?

STEPHEN QUIN: It continues through the fourth quarter. We're getting pretty close to the ore now, we're starting to see some ore (inaudible) so we're essentially almost down to it and (inaudible) the original idea was in the summer (phon) we had been mining Phase III ore and stripping Phase IV waste and then were getting to Phase IV ore in Q1 of next year because the pits—the water being in the pit, we couldn't mine the Phase III ore. So we continued stripping the Phase IV waste so essentially we've now got two phases of ore exposed in the bottom of the pit; all of the Phase III high grade and all of the Phase IV high grade essentially almost exposed and will be over the next month so for the next, well almost eight months, we'll just be mining mostly all ore and we'll end up with a substantial stockpile of ore by (inaudible) this year—or next year, I should say, 2010.

Somewhere in the range of one and a half million tonnes of ore will be stockpiled by the time (inaudible) hits, which is well over a year's production, so we're trying to build flexibility by having lots of ore stockpiles so even if we have to use the pit again for (inaudible) and (inaudible)

productions, we're also putting this diversion system in to divert clean water around the site and we're also putting a larger water treatment plant in because we don't want to have to deal with the risk of losing ore-production and we (inaudible) 2009 and we did (inaudible) our stockpiles and were able to keep milling but we don't want to have our predisposed to having no oil available under any circumstances.

JOHN HUGHES: Right so that actually leads to my next question. For next year will you be mining materially more than you are processing at Minto?

STEPHEN QUIN: Right. We will mine I think we will probably end up around 600 or 700 thousand tons of ore by the end of the year stockpiled and which will not have been processed. So we do owe the mine here in 2010, that has been the plan you know from the original study and on the mines for the next 3 or 4 years to over mine ore and process the higher grades of the ore and defer the lower grades until later in the (inaudible) and obviously hopefully they will develop high grade and keep pushing that low grade off into the future. The expense, the maximum (inaudible) I would rather price it high grade than low grade.

JOHN HUGHES: Very good and for Great Expectations, should we say in the 4th Quarter, it sounds like quite a transitional quarter on grade versus the third quarter. Should we be using like in Q1 somewhere around average grade say in the second quarter that you were sort of the 2.4 - 2.5?

STEPHEN QUIN: Yes (inaudible) it would probably be in that range (inaudible) may be transitional so (inaudible) the quarter it was stockpiled which were graded at 1.7 by Q3 and you know by the end of the quarter we should be up well out in the 3's so you know, you could probably average for the quarter somewhere in that range.

JOHN HUGHES: Oh okay and on Nevada Copper have you made any sort of market purchases since the original private placement?

STEPHEN QUIN: Well we would have to; you know we are the insider now so we would have to report those as an insider we have not reported any more purchases since the private placement.

DARREN PYLOT: We did advise them before the placements which is why there is the difference in ownership versus the placement.

JOHN HUGHES: Okay I got you that helps and last one, Minto North with the updated resource estimate, is that Stephen what you said would be coming up over sort of the next several weeks?

STEPHEN QUIN: Yes that is correct. In Minto North we have made some drills and if you go back to the June announcement it was a mix of indication and inferred and how they have all been drilled to measure and indicate the (inaudible). We felt that the infield drilling on (inaudible) shop because that had been inferred as well and since that June announcement was put out a couple of other areas so, you should end up with significantly more of the Minto North intimated (inaudible) which can obviously can then become reserves.

JOHN HUGHES: Right on, great stuff. That is it for me, thank you gentlemen, very much. Oh sorry, one last one?

STEPHEN QUIN: Okay

JOHN HUGHES: Sorry just the last point, I just want to thank you for the detail on the quarterly and the presentations and your, I mean it's very solid stuff particularly from a physical perspective and as an analyst I'd like to see more of it from other companies. But I just wanted to note that on the call. Thank you.

STEPHEN QUIN: Thank you.

OPERATOR: Thank you. And our next question comes from the line of David Cotterell from BMO Capital Markets, please go ahead.

DAVID COTTERELL: Good morning gentlemen. I've got a couple of questions for you. Let's start with Cozamin. I know Stephen you mentioned that the wider zones higher grade copper that you are into now, I am just wondering does that extend or have you got any deeper drill holes that give you an idea of how far that goes down?

STEPHEN QUIN: It's actually kind of lens shaped and so the geotechnical design on extracting this area was to go to the bottom of the zone because we are using a (inaudible) style of mining which is basically back filling with unconsolidated waste and working off of that

waste fill and that essentially helps support the walls. So the original plan was to go down to the 11.3 level where we expected the width to go down from about 25-30 meters to go down to about 10 meters and then start mining from there up. But when we cost the 11.3 level you always go 20 meters wide, which meant we were not at the bottom. Otherwise you would just stop mining there but you have to leave a pillar that could lead from a geotechnical perspective is twice as thick as the stope is wide. So if you leave a 40 meter high pillar of high grade ore there, then that is what has to protect you from mining underneath it. So rather than doing that we step back, drop down to the 11.6 level and undercut there. You are still relatively wider but acceptable, within 12 to 14 meters and that is how we started our development there. We could go down to the 12 but instead of getting into the 8 meter range there and (inaudible) seem to be narrowing down as you go deeper. But there is very little drilling really below there. It gets pretty wide, widely spaced holes you know are really constrictive but you know its something we would look at longer term. But we are much more interested in progressing along side and then going deeper. That was the key reason to buy these three claims because the high grade, wide mineralization goes right up to claim boundary and then really if you look at the cut rate in this contouring, it stops right at the claim boundary. (Inaudible) boundary to that contrary because there is ocean on the other side, so we are driving our developments on the you know 11.3 – 11.6, 11 levels. We will cross over that boundary over the next few months. Gives us a drill platform and the ability to go and look at expanding that high grade up on those same levels.

DAVID COTTERELL: I guess its more a question of the vein tends to pinch and swell and you've got a massive swell there at the moment. Depending on your drilling I would say it might be a lot wider and extend a lot further.

STEPHEN QUIN: That is correct. I mean our view is stratographic (phon) and (inaudible) but there is you know, volcanics which is slightly to the east, to the right on the long sections and essentially the vast mineralization appears to be within that package of mineralization so I feel the potential is a long stripe, rather than going to depth. I mean there could be different types of potential. You could get in different rock units down below where

different things could happen but the primary target is to go a long stripe and follow that same unit to the east under the other workings St. Raphael etc.,

DAVID COTTERELL: Okay and I know you probably haven't done your budget yet, but can you give us an idea of how much you intend to spend on exploration next year?

STEPHEN QUIN: It is probably easier; we did put 500,000 in Q2. Talking about the overall program it will probably be between 1.5 and 2.0 million range. And that allows for a reasonable, a modest amount of drilling. Obviously just like the Minto program. If we have success we will go in and spend more and start doing more work there.

DAVID COTTERELL: But you would prefer obviously to drive along the stripe and do your drilling underground rather than drilling from the surface for cost reasons.

STEPHEN QUIN: Yes. We are, we essentially we do, we will do (inaudible). We will drill holes from surface, really more for if you want a core for geology. And any success will be followed up with underground development.

DAVID COTTERELL: Okay. The other one I had for you and maybe more for Darren. Was the Silver Wheaton shares that you guys own are you still happy to keep that on the books and just ride that? I know that obviously you sold some down in the second quarter; it gives you optionality on your silver.

DARREN PYLOT: Yes that is correct David. We did sell about half a position just because, it was a large amount of money over weighted, so we did sell half and the other half, we are definitely happy to be exposed to precious metals. I mean that was the reason why we sold our silver and gold in some places because we get a much, multiple in holding a pure silver player and their shares, rather than the physical silver and having it discounted like our copper. So we are happy to hold that position. If we need the money for an acquisition or capital or what have you, we obviously would sell that position before going to the leading shareholders or taking on debt. But at the position our balance sheet is in, we are at this point, happy to hold that position.

DAVID COTTERELL: Okay. No worries, thank you very much guys.

DARREN PYLOT: Thank you.

OPERATOR: Thank you and we have a follow up question from the line of Orest Wowkodaw with Canaccord Adams.

OREST WOWKODAW: Actually my question has been answered thanks.

OPERATOR: Thank you and at this time I am showing no further questions in my queue. Management please continue.

STEPHEN QUIN: Well thank you operator. Thank you everyone for attending our third quarter call. Capstone has once again delivered strong earnings and cash flow which results in a very strong balance sheet. With an additional 20 million in cash being added to the balance sheet from the previous quarter and 55 million in debt reduction so far this year. We look forward to continued exploration success with our recent purchase of T Mining Claims in Cozamin that we talked about and the ongoing explorations (inaudible) at Minto and our most recent discovery at Minto North, hopefully more Minto North to come soon with our recent exploration drilling. Also we remain committed to growth both internally by completing the Phase 4 study at Minto which will be out soon and continues to focus on the improved economics at Kuto. Externally growth will be enhanced by investing in projects such as Nevada Copper which gives us exposure to much larger tonnage, higher grade copper deposits and also we continue to evaluate potential merger and acquisition opportunities within the Americas. So (inaudible) returns coming out of the call and have a great weekend.

OPERATOR: Ladies and gentlemen this does conclude the Capstone 3rd Quarter Results conference call. If you would like to listen to a replay of today's conference please dial 416-640-1917 or 877-289-8525 with the access code of 4173297#. We thank you for your participation and at this time you may now disconnect.
