

THIS OPTION AGREEMENT is dated for reference as of August 19, 2004.

BETWEEN:

CAPSTONE GOLD CORP. of 401 – 750 West Pender Street,
Vancouver, BC, V6C 2T8 having a facsimile number of (604)
684-2180

(hereinafter, "*Capstone*")

OF THE FIRST PART

RAUL GONZALEZ ANAYA of Pirineos 103-B, Fracc Lomas del
Campestre, Zacatecas, Zacatecas, CP 98098, Mexico and **MINERA
PORTREE DE ZACATECAS S.A. DE C.V.** of Constitution de
1917 No. 115, Zacatecas, Zacatecas, CP 98040, Mexico., a
company incorporated pursuant to the laws of the United Mexican
States]

(collectively, the "*Optionor?*")

OF THE SECOND PART

WHEREAS:

- A. the Optionor has agreed to grant to Capstone the Option (as hereinafter defined) on the terms and conditions as more particularly set forth herein; and
- B. the Optionor has the full right and authority to grant the Option to Capstone on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of One Canadian Dollar (\$1.00) paid by Capstone to the Optionor (the receipt of which is acknowledged by the Optionor) and the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

INTERPRETATION

- 1. In this Agreement, the following words, phrases and expressions shall have the following meaning:

"Execution Date" shall mean the date that this Option Agreement is executed by all parties hereto.

"Interest" shall mean an undivided 100% beneficial interest in the Property, subject to a 1.5% Net Smelter Return in favour of Minera Portree de Zacatecas S.A. de C.V., its successors or assigns, free and clear of all liens, charges, encumbrances, claims rights or interest of any person.

and the other costs of the arbitration, will be paid by the prevailing party, subject to the contrary decision of the arbitrator.

NOTICE

20. All notices, demands and requests required or permitted to be given under this Option Agreement shall be in writing and may be delivered personally, sent by electronic mail or by facsimile or may be forwarded by first class prepaid registered mail. Any notice delivered personally or sent by electronic mail or by facsimile shall be deemed to have been given and received on the same business day as sent, subject, in the case of notice given by facsimile, to written acknowledgment of receipt from the original recipient. Any notice mailed as aforesaid shall be deemed to have been given and received on the seventh calendar day following the date it is posted and addressed as follows:

- (a) if to Capstone:

Capstone Gold Corp.
401 – 750 West Pender Street
Vancouver, BC
Canada V6C 2T8
Facsimile: (604) 684-2180

Attention: Darren Pylot, President

- (b) if to Raul Gonzalez Anaya:
Pirineos 103-B,
Fracc Lomas del Campestre
Zacatecas, Zacatecas
CP 98098, Mexico

- (c) if to Minera Portree de Zacatecas S.A de C.V.:
Constitucion de 1917 No. 115,
Zacatecas, Zacatecas
CP 98040, Mexico

Attention: Luis E. Villanueva, Managing Director

or to such other address or addresses as either party may, from time to time, specify by notice to the other; provided, however, that if there shall be a mail strike, slowdown or other labor dispute, which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered.

ENTIRE AGREEMENT

21. This Option Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the parties hereto either orally or in writing prior to the date hereof, and all of

AUGUST 2004

Schedule A

PORTREE I CLAIM

