



News Release

TSX Venture Exchange: STS

October 4, 2011

STONESHIELD SIGNS LETTER OF INTENT TO ACQUIRE DRILL-READY PANAMINT GOLD PROJECT

October 4, 2011 - StoneShield Capital Corp. (STS - TSX Venture Exchange; 5XS – Frankfurt Stock Exchange) (“StoneShield” or the “Company”) is pleased to announce it has signed a binding letter of intent (“LOI”) with Bronco Resources Corporation (“Bronco”) for an option to acquire the Panamint Gold Project in Inyo County, California, USA, adjacent to the Briggs Gold Mine.

The Panamint Gold Project (“Panamint”) consists of two main claim blocks totaling 162 lode mining claims and 10 association placer mining claims which cover a combined 2003 hectares of land. These claims lie in the same mineral belt as the Briggs Gold Mine (“Briggs”) owned and operated by Atna Resources Ltd. Current proven, probably, measured, indicated and inferred gold resources at Briggs total approximately 1.13 million oz Au (NI 43-101 Technical Report, Briggs Project, March 30, 2009, updated February, 2010). Prior production at Briggs was approximately 550,000 oz Au produced.

“The StoneShield Board voted unanimously to acquire Panamint” commented Company President/CEO Kris Kottmeier. “The strong potential for discovery at this permitted and drill-ready project adjacent to an existing mine, coupled with our chief geologist and one director’s extensive knowledge of the Briggs area geology led us to this decision. Inyo County is a pro-mining community, the area has excellent infrastructure for exploration and mining, and the property has extensive year-round road access. StoneShield will commence required due diligence immediately with the aim to conduct a winter/spring drill program to test for continued mineralization along the Briggs corridor.”

The southern Panamint claim block is located approximately 600 metres from the Goldtooth pit, which is the southernmost production pit at Briggs. Drilling across the Goldtooth Fault feeder structures adjacent and beneath the Goldtooth pit on the Briggs mine property has intercepted potentially underground mineable mineralization such as 87 m of 12.88 g/t Au and 38m of 12.75 g/t Au. Canyon Resources was the discoverer of the Briggs deposit and former owner/operator of the Briggs mine.

<http://www.canyonresources.com/projects/goldtooth.php>.

Similar potential for both open pit and underground mineable gold deposits exists on the Panamint property. The Goldtooth Fault is believed to run the entire length of the southern Panamint claim block along the range front beneath thin alluvial cover. High grade surface grab rock samples collected by Bronco Resources on the Panamint claims near the range front include 18g/t Au, 30g/t Au, 37g/t Au, and 61g/t Au. East-west cross faults control formation of gold deposits at Briggs, are inferred to intersect the Goldtooth Fault in numerous locations of the southern Panamint claim block and represent



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attractive, permitted drill targets. Despite excellent surface indications, the southern Panamint claim block has never been drill tested.

The northern Panamint claim block is located just to the west of the Goldtooth Fault and contains several areas of widespread gold mineralization. Surface grab rock samples assay up to 27.0 g/t, 3.3 g/t and 1.7 g/t. A total of nine shallow drill holes have been completed during the 1990s by previous companies on the northern Panamint claim block. All holes contain gold mineralization, including 20 m of 2.33g/t Au, 15 m of 1.6 g/t Au and 24 m of 1.16 g/t Au. StoneShield is evaluating options for a geophysical survey in the area and will begin the process of permitting a drill program for the 2012-13 field season.

The western slope of the Panamint Mountain range is composed of rocks ranging in age from Precambrian to Quaternary. Prior exploration in the area has focused on both Precambrian-age rocks and rocks thought to represent Tertiary-age volcanic units. Both rock types have undergone significant amounts of deformation. Mineralization in both rock types is thought to be epithermal, and is a simple assemblage of gold, pyrite, Fe-rich dolomite and quartz. Although the gold mineralization is a replacement phenomenon, the distribution of mineralization is structurally controlled. The mineralization is controlled by both high- and low-angle faults. The Panamint exploration model is based on favorable district wide geology and gold mineralization already discovered immediately adjacent to the property. StoneShield believes that the Panamint claims have potential for both large, open pittable, heap-leachable gold deposits as well as for high-grade gold deposits mineable by underground mining methods.

Under the terms of the LOI, StoneShield has an option to acquire a 100% interest in Panamint by making cash payments totalling US\$900,000 and incurring a minimum of US\$2.1M in exploration expenditures over the next eight years. Accordingly, StoneShield has made the first cash payment of US\$5,000 upon execution of the LOI. Within 10 business days of TSX Venture Exchange approval, StoneShield will make a further payment of US\$15,000 and thereafter agreed amounts on the anniversary of the execution of the definitive option agreement. Bronco shall retain a 2.5% net smelter returns royalty that can be acquired by StoneShield for US\$500,000 cash for each 0.5%. The LOI is subject to StoneShield and Bronco negotiating and entering into a definitive option agreement within four months and TSX Venture Exchange approval.

The qualified person for StoneShield under National Instrument 43-101 is Peter Kurisoo, P. Geo.

StoneShield is a publicly traded exploration company focused on the discovery of high-value precious metals deposits in North America. The Company's experienced management team boasts multiple discoveries, and brings over 145 years of combined experience in the mining and exploration sector. Please visit the Company's web site address at www.stoneshieldcapital.com.

For further information contact Benjamin Curry, investor relations at (604) 689-2881 or toll free at 1-877-689-2881.



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**ON BEHALF OF THE BOARD OF DIRECTORS OF
STONESHIELD CAPITAL CORP.**

“Kris Kottmeier”

Kris Kottmeier
President/CEO

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