

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD AND STANDARD BANK AGREE TO REFINANCE PROJECT LOAN FOR EL CHANATE

Second Quarter Gross Proceeds Improve by 23%

New York, March 3, 2008 - Capital Gold (TSX:CGC; OTC/BB:CGLD) announced that they have mandated Standard Bank Plc., to refinance the existing project finance facility on the El Chanate mine. The expected closing date is the end of April 2008.

Capital Gold's Chairman, Gifford Dieterle, said, "We are very pleased to be continuing our relationship with Standard Bank. The Bank was there for us when we needed the financing to begin the El Chanate project, and we are happy that they will be here as we grow the company." Dieterle added, "Now that we have been in production for seven months, it was appropriate to re-evaluate our loan position. Given our current ore reserves and the increasing gold and silver price, the El Chanate mine financial model has changed significantly from the time of the original loan agreement."

Some of the key points to the refinancing include:

- Removal of cash restrictions and covenants.
- Reduction of the finance interest rate by 1.5%.
- Addition of a five million dollar line of credit.
- Exercise of a portion of the warrants currently held by Standard Bank, to provide additional support for El Chanate expansion plans.

Capital Gold also announced that the second fiscal quarter, which ended January 31, 2008 saw a 23 percent increase in gross proceeds, to \$8,043,000, which is up from \$6,526,000 in the first quarter. Total ounces of gold sold for the quarter were 9,550. Details of the financial results will be available in mid-March.

John Brownlie, Capital Gold's Chief Operating Officer, said, "With the current leach pad expansion scheduled to be completed by the end of April we have now turned our attention to the ADR plant capacity. To achieve increased gold production going forward, we have identified certain restrictions that are in the process of being addressed. Recently, we doubled the installed pumping capacity to increase solution flow to the leach pad and added additional carbon capacity to the system."

Brownlie added: “For the longer term we have purchased an additional set of carbon columns and a strip vessel to process an additional two tonnes of carbon per strip. Once this project is complete, it will lift the restrictions limiting our current gold production. The leach pad expansion and other upgrades are being funded from operating cash flow.”

About Capital Gold

Capital Gold Corporation (CGLD:CGC) is a gold production and exploration company. Through its Mexican subsidiaries and affiliates, it owns 100% of the El Chanate gold property in Sonora, Mexico. The proven and probable reserve is now 832,000 ounces of gold. Further information about Capital Gold and the El Chanate Gold Mine is available on the Company’s website, www.capitalgoldcorp.com.

About Standard Bank

The Standard Bank Group Limited is Africa's leading banking and financial services group, with assets of approximately US\$145 billion and over 42,000 employees in 39 countries across the globe. Standard Bank is authorized and regulated by the Financial Services Authority. It is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange, the London Platinum and Palladium Market and the New York Mercantile Exchange (COMEX Division).

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Statements in this press release, other than statements of historical information, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements are inherently uncertain. Actual performance and results may differ materially from those projected or suggested due to certain risks and uncertainties, some of which are described below. Such forward-looking statements include comments regarding the establishment and estimates of mineral reserves and non-reserve mineralized material, future increases in mineral reserves, the recovery of any mineral reserves, grade, processing rates and capacity, estimated future gold production, potential mine life and future growth of the company. Factors that could cause actual results to differ materially include timing of and unexpected events during construction, expansion and start-up; variations in ore grade, tonnes mined, crushed or milled; delay or failure to receive board or government approvals; the availability of adequate water supplies; mining or processing issues, and fluctuations in gold price and costs. There can be no assurance that future developments affecting the Company will be those anticipated by management.

Any forecasts contained in this press release constitute management’s current estimates, as of the date of this press release, with respect to the matters covered thereby. We expect that these estimates will change as new information is received and that actual results will vary from these estimates, possibly by material amounts. While we may elect to update these estimates at any time, we do not undertake to update any estimate at any particular time or in response to any particular event. Investors and others should not assume that any forecasts in this press release represent management’s estimate as of any date other than the date of this press release. Additional information concerning certain risks and uncertainties that could cause actual, results to differ materially from that projected or suggested is contained in the Company’s filings with the Securities and Exchange Commission (SEC) over the past 12 months, copies of which are available from the SEC or may be obtained upon request from the Company.

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