

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

### **CAPITAL GOLD ANNOUNCES RECORD GOLD PRODUCTION TOTALS FOR THE FOURTH QUARTER OF OPERATIONS**

#### **Production up 18% Over the Previous Quarter**

New York, August 12, 2008 - Capital Gold (TSX:CGC; OTC/BB:CGLD) announced today that the Company has produced approximately 11,046 ounces of gold in the fourth fiscal quarter (ended July 31, 2008) at its El Chanate mine in Sonora, Mexico. Estimates for the cost of production (including mining, crushing, processing and site G & A) have remained at \$246 per ounce, which are in line with the first three quarters of production, and among the lowest in the gold industry. Gross proceeds from the quarter are just over \$9.9 million, with an average sale price of \$909 per ounce. Full financial results from this fiscal year will be available after the Company completes its audit and files its annual report on form 10-K, anticipated to be in late October. After the filing of the annual report management plans to hold a conference call to discuss the financial results. Participation details for the conference call will be released just prior to the call.

Capital Gold's Chairman, Gifford Dieterle, said, "These are tremendous production numbers and all the credit goes to John Brownlie and his team in Mexico. He was able to increase our gold production while the upgrades and expansion were taking place." Dieterle added, "We continue to be on target to meet our stated goal of a 70,000 ounce production rate in 2009."

Updating the production expansion progress at El Chanate, Capital Gold's Chief Operating Officer, John Brownlie, said, "We have installed additional carbon columns giving us the capacity we require for future planned production. Additionally, the acid wash module will be commissioned next week, followed by the carbon strip module and the refinery upgrades." Brownlie continued, "The final component, a new carbon regeneration kiln, is being manufactured in the U.S. and is scheduled for an October delivery. Once completed, we will be able to process solution at a rate in excess of 70,000 ounces per year of gold production." All of these upgrades have been financed through operating cash flow. The Company also plans to initiate additional drilling at depth within the pit and produce a new 43-101 reserve estimate by year end.

#### 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](http://www.capitalgoldcorp.com).

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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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