

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD COMMENCES DEEP DRILLING CAMPAIGN

Sets New Benchmark in Monthly Gold Production

New York, September 8, 2008 - Capital Gold (TSX:CGC; OTC/BB:CGLD) announced today that the Company has initiated a deep drilling campaign at its El Chanate mine in Sonora, Mexico. A total of 1,500 meters is scheduled to be drilled over the next few weeks.

The core drill campaign consists of five 300 meter deep holes at an exploration target on the southern extremity of the El Chanate main pit called Dos Virgens. "The drilling at Dos Virgens will target a known mineralized zone, at depth," stated John Brownlie, Capital Gold's Chief Operating Officer. "The Company's strong cash position has enabled us to advance exploration activity at the mine with the intention of increasing proven and probable gold reserves."

Once this data has been compiled and analyzed, it will be added to results from a previous drilling program which consisted of 26 reverse circulation holes. Capital Gold will then combine all of this data to produce a revised proven and probable reserve estimate later this year.

Brownlie noted that steady progress has been made by the Capital Gold team. The Company produced approximately 4,750 ounces of gold and over 6,000 ounces of silver in August. These production totals are a significant increase over the previous months that averaged between 3,000-4,000 ounces. "We set a new record for monthly gold production in August," said Brownlie. "This production amounts to almost 5,000 ounces in gold and gold equivalents for the month. We are on an upward trend that we expect to maintain and improve upon throughout the year." Our production cost continues to run under \$250 per ounce, still well below industry average. Brownlie added, "We are dedicated toward growing the Company by extending present reserves at El Chanate while looking for new gold projects in Mexico."

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. The Company has produced 40,000 ounces of gold in its first year of operation. Further information about Capital Gold and the El Chanate Gold Mine is available on the Company's website, 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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