

PRESS RELEASE

FOR IMMEDIATE RELEASE

Capital Gold Corporation Announces a First Quarter Increase of 64% in Net Income Before Tax

Earnings of \$0.01 Per Share for the First Fiscal Quarter 2009

NEW YORK, December 15, 2008 – Capital Gold (TSX: CGC; OTC Bulletin Board: CGLD) reported today a 64% increase in net income before taxes for the first fiscal quarter, ending October 31, 2008, as compared to the first quarter last year.

- Net income before taxes was approximately \$2,863,000 in the first fiscal quarter, which represents a 64% increase compared to \$1,747,000 for the same period last year.
- Net income after taxes was \$1,936,000 as compared to \$1,747,000, an 11% increase over the same period last year.
- For the quarter ending October 31, 2008, net sales were \$9,175,000 from 11,413 ounces of gold sold at an average price of \$805 per ounce, as compared to sales of \$6,526,000 from 9,194 ounces sold at an average price of \$710 per ounce for the same period last year, at net sales increase of 41%.
- Cash costs of \$255 per ounce (excluding net profits interest) were achieved for the fiscal quarter ending October 31, 2008 -- well below the gold industry average.
- Earnings per share of \$0.01 for the quarter.

In their continuing effort to expand production, the Company placed an order for an additional secondary crusher. John Brownlie, Capital Gold's Chief Operating Officer, said, "We ordered the crusher from Excel Machinery of Amarillo, Texas, who have manufactured and installed all of our crushing equipment, so we are assured a seamless integration with our existing system."

"The success of all of the upgrades we completed in 2008, including leach pad expansion, additional solution pumps and a new, larger ADR plant, will allow us to consistently produce at current rates. In order to further increase gold production it is necessary to increase the throughput of crushed ore. The most practical approach to achieve this is to add an additional crushing and screening module that have been designed to be installed without disruption to the existing circuit. This will allow us to increase our production of crushed ore from 11,000 tonnes per day to 14,000 tonnes per day," Brownlie added. The secondary crusher represents the final significant piece of planned infrastructure upgrades for fiscal 2009.

A conference call discussing the first quarter results will be held on Monday, December 15, 2008, at 11:00 AM Eastern Time and will be accessible through dial-in conferencing.

Dial-in Numbers: **1-800-908-8763 (North America)**
1-212-231-2907 (International)

Please dial in and register at least five minutes prior to the call. Chris Chipman, Chief Financial Officer and Jeff Pritchard, Executive Vice President will host the conference call. This call will be archived and available on the Company's website within 48 hours.

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 over 50,000 ounces of gold since inception. 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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