

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD ANNOUNCES COMPLETION OF EQUITY FINANCING

APPOINTS NEW DIRECTORS AND NEW CFO

NEW YORK, March 13, 2006 – Capital Gold Corporation (OTC/BB:CGLD) is pleased to announce that it has completed a private placement of approximately 21.2 million shares of its common stock, and warrants to purchase up to approximately 5.3 million additional shares of its common stock and conversion of approximately 11.6 million existing warrants for aggregate gross proceeds of approximately US\$8.6 million. The Company issued and sold the shares of common stock and warrants to selected investors. IBK Capital Corp. and Broadband Capital Management, LLC acted as placement agents for the Company. Gifford Dieterle, Chairman and CEO of Capital Gold, said that this marked a major step forward for the Company. “We are now well funded and with a strong, capable management team, we shall be completing the major purchases necessary for the construction of or El Chanate gold project in Sonora, Mexico,” he said.

In other developments, the Board of Directors appointed the following three additional Directors to the Board, all of whom are independent, Ian Shaw, John Postle, and Mark Nesbitt. The Board also established an Audit Committee, consisting of the three newly appointed Directors. The Company has retained Chris Chipman as Chief Financial Officer. The following is a summary of the experience of the Company’s new Directors and Chief Financial Officer.

Ian A. Shaw. Mr. Shaw has been Managing Director of Shaw & Associates since 1993. Shaw & Associates is a corporate services consulting firm specializing in corporate finance, regulatory reporting and compliance with clients that are typically public companies in the resource industry. From 2000 to 2003, he was Vice President of Finance and Chief Financial Officer of Defiance Mining Corporation (formerly Geomaque Explorations Inc.), a company operating gold mines in Mexico and Honduras. Mr. Shaw has over 30 years of experience in the mining industry during which time he was an officer of the following companies: Blackhawk Mining Inc., Curragh Inc. and Sherritt Gordon Mines Inc. He currently is a director or officer of the following public companies: Metallica Resources Inc., Pelangio Mines Inc., Weda Bay Minerals Inc. and Hornby Bay Exploration Limited. Mr. Shaw is a Chartered Accountant and received a B. Comm. from Trinity College at the University of Toronto.

John Postle. Mr. Postle is a Consulting Mining Engineer associated with Roscoe Postle Associates Inc., an entity in which he was a founding partner and a former principal. Mr. Postle

provides mining consulting services to a number of international financial institutions, corporations, utilities and law firms. He worked for Cominco Ltd, Falconbridge Ltd. and D.S. Robertson and Associates at a number of open pit and underground operations in both operating and planning capacities. Mr. Postle is a Past Chairman of the Mineral Economics Committee of the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), and was appointed a Distinguished Lecturer of the CIM in 1991. In 1997, he was awarded the CIM Robert Elver Mineral Economics Award. He is currently Chairman of a CIM Standing Committee on Ore Reserve Definitions. Mr. Postle has a B.A.Sc. Degree in Mining Engineering from the University of British Columbia and a M.Sc. Degree in Earth Sciences from Stanford University.

Mark T. Nesbitt. Mr. Nesbitt has been a natural resources attorney since 1978 and in private practice in Denver, Colorado since 1988, specializing in domestic and international mining transactions, agreements, negotiations, title due diligence, corporate and general business counsel. Mr. Nesbitt is an Adjunct Professor at the University of Denver School of Law, and is an active member of the Rocky Mountain Mineral Law Foundation, with special emphasis on the Foundations international institutes, and is presently serving as a Trustee. Mr. Nesbitt is also a member of the International, American, Colorado and Denver Bar Associations, International Mining Professionals Society (Treasurer since 2000), and the Colorado Mining Association. He is also a former Director of the Colorado Mining Association and past President of the Rocky Mountain Association of Mineral Landmen. He received a B.S. degree in Geology from Washington State University and a J.D. from Gonzaga University School of Law.

Chris Chipman. Since November 2000, Mr. Chipman has been a managing member of Chipman & Chipman, LLC, a consulting firm that assists public companies with the preparation of periodic reports required to be filed with the Securities and Exchange Commission and compliance with Section 404 of the Sarbanes Oxley Act of 2002. The firm also provides outsourced financial resources to clients assisting in financial reporting, forecasting and accounting services. Mr. Chipman is a CPA. He had previously served as a senior accountant with the accounting firm of Grant Thornton LLP. Mr. Chipman was the Controller of Frontline Solutions, Inc., a software company; a Senior Financial Analyst for GlaxoSmithKline and an Audit Examiner for Wachovia Corporation. He received a B.A. in Economics from Ursinus College. He is a member of the American and Pennsylvania Institute of Certified Public Accountants.

In announcing the appointments, Mr. Dieterle said that the board was pleased to have attracted such high quality and distinguished individuals to serve Capital Gold. “We are fortunate to have their counsel and services as we grow the Company toward production at El Chanate,” he said.

Further information about Capital Gold and the El Chanate project 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, construction cost estimates, construction completion dates, equipment requirements and costs, production, production commencement dates, grade, processing capacity, potential mine life, results of feasibility studies, development, costs and expenditures. 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, tons mined, crushed or milled; delay or failure to receive

board or government approvals; timing and availability of external financing on acceptable terms for equipment, construction, working capital and other purposes; the availability of adequate power and water supplies; the availability of adequate mining equipment; technical, permitting, 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.

The 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.

Contact:

Jeff Pritchard, VP-Corporate Relations

Capital Gold Corporation

Tel: (212) 344-2785

Fax: (212) 344-4537

Email: investorrelations@capitalgoldcorp.com

Media Inquiries:

Victor Webb/Madlene Olson

Marston Webb International

Tel: (212) 684-6601

Fax: (212) 725-4709

Email: marwebint@cs.com