

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD ANNOUNCES INCREASED RESERVES AT THE EL CHANATE MINE, SONORA, MEXICO

NEW YORK, May 7, 2009—Capital Gold Corporation (TSX:CGC; OTC/BB:CGLD) is pleased to announce an updated reserve statement disclosing increased reserves for its El Chanate open pit gold mine in Sonora, Mexico. The Company began producing gold at El Chanate in August 2007 and, since that time, has produced over 75,000 ounces of gold, at one of the lowest operating costs in the industry.

During 2007 and 2008, Capital Gold conducted exploration activities in the El Chanate pit area including, a ground magnetic survey and two drilling campaigns totaling 4,912 meters of reverse circulation drilling and 2,891 meters of core drilling, to evaluate the ongoing potential for expanding its reserves. The knowledge obtained about the geology of the deposit during mining, combined with the assays from the samples from this exploration drilling, were used to expand the information in the Company's mine database. Capital Gold has used this data to re-estimate El Chanate's mineral reserves. The table below shows the updated Proven and Probable reserves at El Chanate as of December 31, 2008:

Mineral Reserve Class	Ore (tonnes)	Grade (g/t)	Contained Gold (oz.)
Proven Mineral Reserve	20,896,000	0.772	519,000
Probable Mineral Reserve	14,926,000	0.702	337,000
Low Grade Stockpile (Probable)	7,318,000	0.246	58,000
Proven and Probable Mineral Reserve	43,140,000	0.659	913,000

Capital Gold Chairman Gifford Dieterle said, "As a result of our exploration activities, low operating costs and higher gold prices, we have been able to replace all of the reserve depletion since mining began in 2007. We will continue to search for additional ore within our concession holdings and the Company remains optimistic on the gold price."

The new mineral reserves are based on an updated resource block model and an updated mine plan and mine production schedule developed by Independent Mining Consultants, Inc. (IMC) of Tucson, Arizona, an independent consulting firm. The updated pit design for the revised plan is based on a plant recovery of gold that varies by rock types, but is expected to average 64.2%. A

gold price of US\$750 (SEC three year average as of March 20, 2009) per ounce was used to estimate the reserves. The stated proven and probable mineral reserves have been prepared in accordance with CIM Definitions. A technical report supporting this estimate is being finalized that complies with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects and will be filed on SEDAR shortly. These reserves are equivalent to proven and probable reserves as defined by the United States Securities and Exchange Commission (SEC) Industry Guide 7.

As the table below shows, the total amount of measured and indicated mineral resources contained at El Chanate, net of the proven and probable mineral reserves, is now approximately 21.3 million tonnes, grading 0.643 grams/tonne. Inferred mineral resources are an additional 6.0 million tonnes at 0.748 grams/tonne gold. This estimate was prepared by IMC in accordance with CIM Definitions based on a gold price of \$850 per ounce and a 0.2 g/t gold cutoff grade.

El Chanate Mineral Resource – Exclusive of Mineral Reserve
0.2 g/t Gold Cutoff Grade

Mineral Resource Class	Ore (tonnes)	Grade (g/t)	Contained Gold (oz.)
Measured Mineral Resource	5,105,000	0.676	111,000
Indicated Mineral Resource	16,194,000	0.632	329,000
Measured and Indicated Resource	21,299,000	0.643	440,000
Inferred Mineral Resource	5,978,000	0.748	144,000

Cautionary Note to U.S. Investors – All mineral resources have been estimated and disclosed in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian Securities Administrators National Instrument 43-101 (NI 43-101), which requires disclosure of resources. Disclosure of “contained ounces” is only permitted if the quantity and grade of contained metal or mineral is included in the disclosure. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission “SEC” Industry Guide 7. Canadian and Guide 7 standards are substantially different.

The SEC permits mining companies, in their filings with the SEC, to disclose only those mineral deposits defined as probable or proven reserves that a company can economically and legally extract or produce. We use certain terms in this news release, such as “measured,” “indicated,” and “inferred resources,” that the SEC guidelines strictly prohibit from including in filings with the United States SEC. Investors are cautioned not to assume that any part or all of mineral resources will ever be confirmed or converted into Guide 7 compliant “reserves.” Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute Guide 7 compliant “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures.

Investors are urged to consider closely the disclosure in our annual report on Form 10-K, including the risk factors contained therein. You can review and obtain copies of this filing from the SEC’s website at <http://www.sec.gov/edgar.shtml>.

Qualified Person

The mineral resource and reserve estimates contained in this news release have been prepared by Michael G. Hester, FAusIMM, Vice President of IMC, a qualified person within the meaning of National Instrument 43-101.

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 Company has produced over 75,000 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, the impact of any hedging arrangements, including the termination of such arrangements; 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 expansion; 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, the possibility that the proposed acquisition of the Company by Gammon Gold, Inc. will not be consummated; 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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