

PRESS RELEASE

FOR IMMEDIATE RELEASE

Capital Gold Corporation Announces an Increase of 29% in Net Income Compared to Previous Quarter

Earnings of \$0.02 Per Share for the Third Quarter

NEW YORK, June 12, 2008 – Capital Gold (TSX: CGC; OTC Bulletin Board: CGLD) reported today an increase in net income for the third fiscal quarter, ending April 30, 2008, as compared to the second quarter, resulting in earnings per share of \$0.02 for the quarter and \$0.04 for the nine months.

- Net income was approximately \$2,740,000 in the third quarter. The Company had a 29% increase in net income compared to \$2,126,000 in the second quarter. Earnings per share for third quarter were \$0.02 and \$0.04 for the nine months ended April 30, 2008.
- For the quarter ending April 30, 2008, net sales were \$8,730,000 from 9,466 ounces of gold sold at an average price of \$922 per ounce, as compared to sales of \$8,043,000 from 9,550 ounces sold at an average price of \$843 per ounce for the second quarter.
- Cash costs of \$247 were achieved for the nine months ending April 30, 2008 -- well below the gold industry average of approximately \$371 per ounce.

John Brownlie, Capital Gold's Chief Operating Officer, said: "In the third quarter, we continued to forecast our production goal of 50,000 for the 2008 calendar year. The mine produced over 4,200 ounces of gold and gold equivalent during the month of May, an increase over the prior months. We anticipate that production for June and July will be similar to that of May."

Brownlie added, "The construction of the new ADR plant, and refinery upgrades to accommodate increased production, are progressing as planned for commissioning during September. To date, the civil works and procurement are complete, and most of the US sourced equipment is on-site. The ADR tanks and piping will be tested this month (see Image 1)." Capital Gold management believes once these upgrades are in place, they will achieve their projected production rate of 70,000 ounces of gold in 2009.

A conference call discussing the third quarter results will be held on Thursday June 12th, 2008, at 1:00 PM Eastern Time and will be accessible through the following:

Dial-In Numbers: **1-800-942-2493 (North America)**
 1-212-231-2900 (International)

Please dial in and register at least five minutes prior to the call. Chris Chipman, Chief Financial Officer, John Brownlie, Chief Operating Officer, and Jeff Pritchard, VP Investor Relations will host the conference call. There will be a question and answer period at the end of the call. The call will be archived and available on the Company's web site within 48 hours.

###

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.

Contact:

Jeff Pritchard, VP-Corporate Relations

Capital Gold Corporation

Tel: (212) 344-2785

Fax: (212) 344-4537

Email: pritchard@capitalgoldcorp.com

Kelly Cody, Director, Corporate Communications

Capital Gold Corporation

Tel: (212) 344-2785

Fax: (212) 344-4537

Email: kelly@capitalgoldcorp.com

Media Inquiries:

Victor Webb/Madlene Olson

Marston Webb International

Tel: (212) 684-6601

Fax: (212) 725-4709

Email: marwebint@cs.com



Image 1: New ADR plant construction.