

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD POURS FIRST GOLD AT EL CHANATE MINE

North America's Newest Gold Producer Delivers

New York, August 2, 2007 Capital Gold (TSX:CGC; OTC/BB:CGLD) said today that they had begun gold production at their El Chanate Mine in Sonora, Mexico. In so doing, they have become Mexico's and North America's newest gold producer. The first shipment was estimated at 575 ounces of gold and shipped to Met-Mex Penoles on July 31 for final refining.

A delighted Gifford Dieterle, Capital Gold's Chairman and CEO said that the beginning of production at El Chanate is the culmination of years of dedicated work by everyone at Capital Gold. "We completed the bank financing and began major construction of El Chanate in August of 2006. In less than one year we are producing gold. This is a monumental achievement and a credit to John Brownlie, our Chief Operating Officer, and the team he has assembled."

Norberto Roque Díaz de León, Coordinator of Mining at Mexico's Secretaría de Economía, said he was especially pleased that Capital Gold had begun gold production in Sonora to become Mexico's newest producer. "Capital Gold has today joined the ranks of a special group of well-managed mining companies who have found success with us in Mexico. We wish them many years of profitable production and growth in Sonora."

Dieterle said the Company is moving forward in a number of areas. Next on the horizon for Capital Gold's evolution will be the results of the recently concluded drill campaign. Independent Mining consultants of Tucson, Arizona will be preparing the new proven and probable ore reserve, an updated mine plan and 43-101 report for the Canadian authorities. It is anticipated this will all be completed by the end of August. "Now that we have achieved our goal of gold production at El Chanate, we are not content to rest on our laurels. We are now looking at other mining properties with a view toward acquisition. From this point forward we shall be focused on growing Capital Gold into a mid-tier gold producer," he said.

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. 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, 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.

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