

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

### **CAPITAL GOLD REPORTS CONSTRUCTION NEARING COMPLETION AT EL CHANATE GOLD MINING PROJECT**

**Production Scheduled to begin in February**

**Annual Meeting of Stockholders set for February 21, 2007 in Arizona**

NEW YORK, January 24, 2007 - Capital Gold Corporation (TSX:CGC; OTC/BB:CGLD) said today that infrastructure construction at the El Chanate gold project in Sonora, Mexico, is moving rapidly toward completion. Initial ore placement on the leach pads is expected in the next several weeks.

Among the major production targets achieved by the Capital Gold team in recent weeks has been the commissioning of the water supply line and the site delivery of all the major components of the mine. Energizing of the electric power line is scheduled for this week. Ore is currently being processed through a screening plant and placed on the leach pads for use as overliner material. Ore placement, via the stacking conveyors, will begin next month, heralding the beginning of production at El Chanate.

“2007 will be a milestone year for Capital Gold,” said Gifford Dieterle, Chairman. “The construction at El Chanate is moving at an accelerated pace and continues to be within budget. The crushing system is almost completed, and that is the last major element needed to begin production. This is the year when we make the giant leap forward from that of a gold exploration company to a gold producing company.” The site office building and warehouse are completed, and the laboratory and first aid/security building will be ready soon. “We are very pleased with the progress we have made,” Dieterle added.

On a separate note, Capital Gold has announced that its Annual Meeting of Stockholders is scheduled for 11AM on Wednesday, February 21, 2007. It will be held at the Wigwam Resort & Spa in Litchfield Park, Arizona.

#### About Capital Gold

Capital Gold Corp. (CGLD) is a gold exploration and development company. CGLD, through its Mexican subsidiaries, owns 100% of the El Chanate gold property in Sonora, Mexico. During

August 2006 CGLD completed debt financing for the construction of the Chanate Mine. Engineering Procurement and Construction Management activities commenced June 1, 2006. Other construction activities have been underway at the mine site since early this year and we anticipate gold production will begin in early 2007. Further information about Capital Gold and the El Chanate Gold Mine, along with current photographs, are available on the Company's website, [www.capitalgoldcorp.com](http://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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