

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD INITIATING PLANS FOR INCREASED GOLD PRODUCTION

Additional Water Rights Secured

New York, October 9, 2007 - Capital Gold (TSX:CGC; OTC/BB:CGLD) reported today that the Company is initiating infrastructure enlargement at its El Chanate gold mine in Sonora, Mexico as the Company continues to maximize gold production. Current production is estimated to be 50,000 ounces per year. Given the recent 70 percent increase in the gold reserves at the El Chanate mine, Capital Gold's management team is looking to increase production levels to 60,000 ounces per year in 2008. Beyond that, they are currently studying to determine if production levels can be increased up to 100,000 ounces per year by 2009, and continue thereafter at that level for the remaining life of El Chanate. Management is currently addressing the following areas:

1. Golder Engineering has been contacted to supply EPCM (engineering, procurement and construction management) services for leach pad expansion and to study the impact of the planned mining increase. Capital Gold's Chairman, Gifford Dieterle, said, "In so doing, we are taking advantage of Golder's recent successful work at El Chanate and continuing to call upon the services of their highly experienced personnel – all of whom are well familiar with our mine."
2. Chief Operating Officer John Brownlie added that the Company is discussing options available with the crusher manufacturer, Excel Machinery, with regards to adding an additional secondary crusher into the crushing circuit, to enable the system to handle increased tonnage. "We built some additional crushing capacity into the system from the original design. Right now, we are using that additional capacity to crush and stack almost 10,000 tonnes per day". The feasibility study only called for 7,500 tonnes per day. "Another crusher should move that tonnage up closer to 14,000 tonnes per day," Brownlie said.
3. Additional water rights have been secured for increased leaching operations and gold production. Brownlie said, "Adequate water supply is a critical component when experiencing rapid mine growth, especially when operating in a desert environment. We have acquired a more than sufficient supply of water for the mine and so, have secured our future for the long-term."

Some of the key milestones that have recently been achieved:

- ✓ 70% increase in the proven & probable gold reserve, now 832,000 ounces.
- ✓ Over 6,850 ounces of gold produced during the first two months of production.
- ✓ Currently producing approximately one ounce of silver for every ounce of gold.
- ✓ Proceeds generated over the first two months of approximately US\$4.4 million.
- ✓ Over 1.25 million tonnes of ore have now been stacked on the leach pads.

In summing up, Dieterle said the Capital Gold team has made significant progress at El Chanate and has quickly moved into its new role as a producing gold company. " We are by any reckoning, a stronger company with a top management team in place, ready to take the fullest advantage of any opportunity that comes our way," Dieterle 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. The proven and probable reserve is now 832,000 ounces of gold. 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, 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.

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