

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

### **CAPITAL GOLD ENTERS INTO MINING CONTRACT WITH MEXICAN CONTRACTOR SINERGIA AT EL CHANATE**

NEW YORK, December 15, 2005 – Capital Gold Corporation (OTC/BB:CGLD) is pleased to announce that the company has entered into a Mining Contract with Mexican mining contractor Sinergia Obras Civiles y Mineras, S.A. de C.V. (Sinergia) for the Company's El Chanate gold mining project, located in northern Sonora, México.

The selection of Sinergia has met with the approval of Standard Bank, PLC. Sinergia will be using all of its own equipment, and will generally perform all of the mining work other than crushing, at El Chanate for the life of the mine.

Management of Capital Gold expects its complete financing package, including the \$12 Million project finance facility from Standard Bank, PLC, to close in January, 2006. That will allow the Company to immediately move ahead with construction.

“2006 will be a landmark year for Capital Gold,” said Gifford Dieterle, Chairman of Capital Gold. “By January, we will be finalizing plans for construction at the El Chanate property. This is an exciting time for all of those involved, and we anticipate the coming year to be a year of successes.”

The Company also anticipates that in early 2006, their shares will qualify for listing on the Toronto Stock Exchange. Conditional approval has already been granted.

In addition, Dieterle said that with the recent price of gold rising to over \$500 per ounce, the gold reserves at El Chanate will likely see significant increase in value, as the most recent feasibility study was compiled at a gold price of \$375 per ounce. “The assets of the El Chanate property are now believed to be much more valuable than they were at the time of our 2003 feasibility study,” he said.

Further information about Capital Gold and the El Chanate project is 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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