

PRESS RELEASE

FOR IMMEDIATE RELEASE

CAPITAL GOLD CORPORATION ANNOUNCES FIRST FISCAL QUARTER FINANCIAL RESULTS

New York, December 17, 2007 - Capital Gold (TSX:CGC; OTC/BB:CGLD) said today that production at their El Chanate mine in Sonora, Mexico, is well on target and, in many sectors, exceeding expectations.

In outlining the Company's progress, Capital Gold's Chairman, Gifford Dieterle, noted that at a time when many mining companies – especially the junior sector – were languishing, Capital Gold was bucking the trend. “By any reckoning, we are doing very well. Production is on target and our costs are below the industry standard,” he said.

He noted that the El Chanate open pit gold mine, which began production in August, has already compiled an impressive first quarter sale and income story.

Through October 31, 2007, net sales were \$6,526,000 based on 9,194 ounces of gold sold at an average sale price of \$710.

Net income was approximately \$1,747,000 which equates to a fully diluted income per share of \$0.01.

Cash costs of just \$239 – well below the gold industry average of approximately \$371 per ounce.

John Brownlie, Capital Gold's Chief Operating Officer, said the team had, throughout the mine's development, been singularly conscious of reducing costs which had paid off handsomely. “We incorporated the very latest production and recovery procedures. Through October 31, 2007, we have placed 1.45 million tonnes of ore on the leach pads, containing approximately a cumulative 40,100 ounces of gold, of which 26,800 are estimated to be recoverable. With this rate of production and given our low costs, we are well positioned to take every opportunity that comes our way,” Brownlie said.

Dieterle added that these were excellent results. “However, be assured we are not resting on our laurels, but are moving aggressively into our second quarter of production. This fiscal quarter to

date, 4,230 ounces of gold have been sold at an average sale price of \$812.35 per ounce,” he said.

A conference call discussing the first quarter results, will be held before the market opens for trading on Tuesday December 18th, 2007, at 8:30 AM Eastern Time which will be accessible through dial-in conferencing.

**Dial-In Numbers: 1-800-747-5150 (US)
1-647-723-3981 (International)**

Once connected, you will be asked to enter an access code, which is: **9293746**

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. Please call in at least five minutes prior to the conference call start time. The call will be archived and available on the Company’s web site.

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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