

## PRESS RELEASE

FOR IMMEDIATE RELEASE

### CAPITAL GOLD INCREASES RESERVES AT ITS EL CHANATE MINE BY OVER 64%

NEW YORK, October 13, 2009—Capital Gold Corporation (TSX:CGC; OTC/BB:CGLD) is pleased to announce an updated reserve statement and mine plan which shows increased reserves for its 100% owned El Chanate open pit gold mine in Sonora, Mexico. Net of depletion, proven and probable reserves were increased from 913,000 ounces to 1,504,000 ounces – a 64.7% increase. At the projected 2010 production rate of 70,000 ounces per year, recoverable ounces now provide for over a 12 year mine life. The Company began producing gold at El Chanate in August 2007 and, as of September 30, 2009, the mine has produced approximately 100,000 ounces of gold, at one of the lowest operating costs in the industry.

Capital Gold’s President and Chief Operating Officer John Brownlie said, “This reserve increase is encouraging and improves the platform for Capital Gold to continue its growth to a mid-tier gold producer.”

Brownlie added that during fiscal 2010, “we plan to conduct additional drilling within the deposit to attempt to identify additional resources outlined by our new block model and study the options for further production increases while maintaining the longer mine life.”

Table 1 shows the updated Proven and Probable Mineral Reserves at El Chanate as of October 1, 2009, net of depletion:

**Table 1: Summary of El Chanate Proven and Probable Reserves (As of October 1st, 2009)\***

Category	g/t-Au	Ore Tonnes (kt)	In-situ oz-Au (000's)
Proven	0.70	22,401	503
Probable	0.65	48,155	1,001
<b>Proven and Probable</b>	<b>0.66</b>	<b>70,557</b>	<b>1,504</b>

\*Reserves are based on a gold price of US\$800/oz; Full mining recovery is assumed; Mine reserves are not diluted further (dilution is already incorporated into the resource model) and assume selectivity in mining; An internal cutoff grade of 0.15g/t-Au was used for Sandstone within the pit design; An internal cutoff grade of 0.19g/t-Au was used for Siltstone and Latite within the pit design; An internal cutoff grade of 1.37g/t-Au was used for Andesite within the pit design; Internal cutoff grade determinations included metallurgical recoveries of 65% in Sandstone, 50% in Siltstone, 48% in Latite and 7% in Andesite ore; Weighted average gold recovery is estimated at 58.25%; In

situ Au ounces do not include metallurgical recovery losses; The August 2009 surface topography (end of month survey) was used for volume control in the reserve determination process.

### Proven and Probable Mineral Reserves

During fiscal 2009, Capital Gold conducted exploration activities in the El Chanate pit area including, core drilling at depth to determine the potential of increasing its reserves. The data obtained from geological mapping of the deposit's mine pit areas, combined with assays from samples of the exploration drilling therein, were used to expand information in the Company's mine database. SRK Consulting, Inc. U.S. (SRK) of Lakewood, Colorado, an independent consulting firm, used this data to re-estimate El Chanate's Mineral Reserves.

The new mineral reserves are based on an updated resource block model and an updated mine plan and mine production schedule both developed by SRK. The updated pit design for the revised plan is based on a plant recovery of gold that varies by rock type, but has a weighted average recovery of 58.25%. A gold price of US\$800 per ounce (SEC three year average as of September 2009) was used to estimate the reserves. The stated proven and probable mineral reserves have been prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definitions. A technical report supporting this estimate is being finalized that complies with National Instrument 43-101 Standards of Disclosure for Mineral Projects and will be filed on SEDAR shortly. These reserves are equivalent to proven and probable reserves as defined by the United States Securities and Exchange Commission (SEC) Industry Guide 7.

The measured and indicated mineral resources contained at El Chanate, net of the proven and probable mineral reserves, are now approximately 4.6 million tonnes, grading 0.466 g/t. Inferred mineral resources are an additional 6.1 million tonnes at 0.795 g/t gold. This estimate was prepared by SRK in accordance with CIM Definitions based on a pit optimization study using a gold price of US\$1,000 per ounce and a 0.12 g/t gold cutoff grade.

Table 2 shows the updated Measured, Indicated and Inferred Mineral Resources at El Chanate as of October, 2009. Note that the mineral resources reported in Table 2 are in addition to the mineral reserves reported in Table 1.

**Table 2: Summary of El Chanate Mineral Resources exclusive of Mineral Reserves (As of October 1, 2009)\***

Category	g/t-Au	Ore Tonnes (kt)	In-situ oz-Au (000's)
Measured	0.273	618	5
Indicated	0.496	3,995	64
<b>Measured and Indicated</b>	<b>0.466</b>	<b>4,613</b>	<b>69</b>
Inferred	0.795	6,135	157

\*Resources are included within a pit design based on a \$1,000 gold price and the same parameters as the reserve pit described above. Resources are listed at a 0.12 Au g/t cutoff grade.

**Cautionary Note to U.S. Investors** – All mineral resources have been estimated and disclosed in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy

and Petroleum referred to in Canadian Securities Administrators National Instrument 43-101 (NI 43-101), which requires disclosure of resources. Disclosure of "contained ounces" is only permitted if the quantity and grade of contained metal or mineral is included in the disclosure. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission "SEC" Industry Guide 7. Canadian and Guide 7 standards are substantially different.

The SEC permits mining companies, in their filings with the SEC, to disclose only those mineral deposits defined as probable or proven reserves that a company can economically and legally extract or produce. We use certain terms in this news release, such as "measured," "indicated," and "inferred resources," that the SEC guidelines strictly prohibit from including in filings with the United States SEC. Investors are cautioned not to assume that any part or all of mineral resources will ever be confirmed or converted into Guide 7 compliant "reserves." Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute Guide 7 compliant "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures.

Investors are urged to consider closely the disclosure in our annual report on Form 10-K, including the risk factors contained therein. You can review and obtain copies of this filing from the SEC's website at <http://www.sec.gov/edgar.shtml>.

### Qualified Persons

The Mineral Resource estimation was completed by Bart Stryhas PhD., a Principal Resource Geologist with SRK and a qualified person as defined by National Instrument 43-101. The Mineral Reserve was completed by Bret Swanson a Senior Mining Engineer with SRK and a qualified person as defined by National Instrument 43-101.

### 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. Capital Gold has also begun exploration of 4,100 hectares of owned and leased concessions near the town of Saric, 60 miles from El Chanate. Further information about Capital Gold and the El Chanate Gold Mine 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, 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 and expansion; variations in ore grade, tonnes mined, crushed or milled; delay or failure to receive government approvals; the availability of adequate water supplies; mining or processing issues, fluctuations in gold price and costs and the availability of financing on acceptable terms. 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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