CAPITAL GOLD CORP
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NEWS RELEASE

TIMMINS URGES BOARD OF CAPITAL GOLD NOT TO POSTPONE CAPITAL GOLD

SPECIAL MEETING: LET THE SHAREHOLDERS SPEAK!

VANCOUVER, B.C. Timmins Gold Corp. (TSX-V:TMM). In an appearance on Canada s Business News Network this afternoon, the CEO of Gammon Gold Inc. stated: We will announce tomorrow when the Capital Gold special meeting will be, but it will be this month. It seems that the CEO of Gammon intends to postpone the special meeting of the shareholders of Capital Gold Corporation.

WHO IS RUNNING CAPITAL GOLD:

THE CAPITAL GOLD BOARD OR THE CEO OF GAMMON?

Timmins has repeatedly raised concerns regarding the process by which the Capital Gold Board of Directors selected Gammon s proposal, a process that Timmins believes favored Gammon over all other bidders. Such concerns are exacerbated by the statement of the Gammon CEO. Why would the Gammon CEO be advising Capital Gold shareholders that Gammon would be announcing the postponement of the special meeting of Capital Gold shareholders? Gammon does not own Capital Gold the Capital Gold shareholders do.

LET THE SHAREHOLDERS OF CAPITAL GOLD DECIDE

Timmins announced earlier today that it had delivered an increased offer to the Capital Gold Board of Directors for the merger of Timmins Gold and Capital Gold. Under the increased offer, Capital Gold shareholders will now receive 2.27 Timmins Gold common shares and US$0.25 in cash for each share of Capital Gold common stock.

The increased offer provides Capital Gold shareholders with total consideration of US$5.80 per Capital Gold share and exceeds the value of the Gammon offer by US$0.30 (or 5.4%) per Capital Gold share, based on closing prices on March 15, 2011.

Timmins also announced that it will amend the terms of its exchange offer, which has not yet commenced, for all of the outstanding shares of Capital Gold common stock to reflect the increased offer.

Gammon has tried to scare Capital Gold shareholders by suggesting that if they don t take the Gammon bid they will be left with nothing. The truth is that we are committed to the merger of Timmins Gold and Capital Gold and have been since September 2010. Our offer is clearly superior to Gammon s revised proposal and we have no intention of going away, stated Bruce Bragagnolo, CEO of Timmins Gold. The only impediment to getting a deal done is the Capital Gold board. We are confident that Capital Gold shareholders will not be intimidated by Gammon s scare tactics and will recognize that our offer is superior, Mr. Bragagnolo added.

TIMMINS: THE BETTER DEAL

Timmins will issue 2.27 Timmins common shares and **US$0.25** in cash for each Capital Gold share

The combined company will be a Mexico-focused, mid-tier gold producer 50.5% owned by Capital Gold shareholders and 49.5% by Timmins shareholders and is expected to have 2011 production of 160,000 oz. Au and combined proven and probable reserves of ~2.2 million oz. Au

The Combined Company will benefit from:

- Re-rating upside potential: compared to the Gammon deal, Capital Gold s own financial advisor said: ***the long-term valuation re-rating was potentially greater under a transaction with Timmins Gold***
- Management team with a track record of building shareholder value
- Experienced operations team based in the region
- Enhanced exploration opportunities throughout the district

THE CHOICE IS CLEAR

PRESERVE YOUR RIGHT TO A BETTER DEAL

VOTE NOW AGAINST GAMMON

Timmins urges Capital Gold shareholders to preserve their right to receive the superior economic terms of Timmins offer by voting AGAINST the Gammon deal on the GOLD proxy card. Shareholders who have previously voted for the Gammon deal on Capital Gold s white proxy card may obtain assistance in revoking or changing that vote by contacting Innisfree M&A Incorporated toll-free at 1-877-800-5182 (banks and brokers should call collect at 212-750-5833).

TIME IS SHORT AND YOUR VOTE IMPORTANT!

To ensure your vote is received before the meeting,

please vote by telephone or *via* the Internet.

If you have any questions, or need assistance in voting

your shares, please call our proxy solicitor,

INNISFREE M&A INCORPORATED

TOLL-FREE, at 1-877-800-5182.

Important Information

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This press release relates to a business combination transaction with Capital Gold proposed by Timmins Gold. This material is not a substitute for the prospectus/offer to exchange Timmins Gold has filed with the SEC regarding the exchange offer and will send or give to Capital Gold shareholders when the exchange offer is commenced or for any other document which Timmins Gold may file with the SEC and Canadian securities regulators and send to Timmins Gold or Capital Gold shareholders in connection with the exchange offer. INVESTORS AND SECURITY HOLDERS OF TIMMINS GOLD AND CAPITAL GOLD ARE URGED TO READ THE PROSPECTUS/OFFER TO EXCHANGE AND ANY OTHER DOCUMENTS FILED WITH THE SEC AND CANADIAN SECURITIES REGULATORS CAREFULLY IN THEIR ENTIRETY, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE EXCHANGE OFFER. Such documents, as well as solicitation statements relating to the Consent Solicitation and the Proxy Solicitation, are available free of charge through the web site maintained by the SEC at www.sec.gov, by calling the SEC at telephone number 800-SEC-0330, or at the web site maintained by the Canadian securities regulators at www.sedar.com, or by directing a request to Timmins Gold at Suite 520 609 Granville Street, Vancouver, BC, Canada V7Y-1G5 or at www.timminsgold.com.

Timmins Gold and its directors and executive officers and other persons may be deemed to be participants in any solicitation of proxies from Capital Gold s shareholders in respect of the proposed transaction with Capital Gold. Information regarding Timmins Gold s directors and executive officers is available in a prospectus/proxy statement Timmins Gold filed with the SEC regarding the proposed transaction. Other information regarding potential participants in such proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in any proxy statement or other documents filed with the SEC and Canadian securities regulators in connection with the proposed transaction.

Caution Regarding Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are statements which relate to future events. In some cases, you can identify forward-looking statements by terminology such as may, should, expect, plan, anticipate, believe, estimate, predict, opportunity or continue or the negative of these terms or other comparable terminology. These statements are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, production, reserves, level of activity, performance or achievements to be materially different from any future results, production, reserves, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Actual results could also differ materially because of factors such as Timmins Gold s ability to promptly and effectively integrate the businesses of Capital Gold and Timmins Gold, the timing to consummate the proposed transaction and any necessary actions to obtain required regulatory approvals, and the diversion of management time on transaction-related issues. While these forward-looking statements, and any assumptions upon which they are based, reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions,

projections, assumptions or other future performance suggestions herein. Except as required by applicable law, Timmins Gold does not intend to update any forward-looking statements to conform these statements to actual results.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Timmins Gold

Focused in Mexico, Timmins Gold Corp. became a gold producer in April 2010 with the commencement of commercial production at its wholly owned San Francisco Mine in Sonora, Mexico. In addition, the Company has an extensive portfolio of gold projects in Mexico.

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