



ASX CODE: CMY

3 April 2007  
Company Announcements  
ASX Limited

Dear Sir / Madam,

## ***CHAKOLA RESOURCE UPGRADE of 240% to 300,000oz GOLDequiv\****

On behalf of the Directors, it is with great pleasure that I release the following report to the market and our shareholders. **I believe it is an outstanding result that will underpin Capital Mining's future growth.** The report is the culmination of many months of work by our exploration team and is a testament to their depth of expertise and character. The work was carried out seamlessly whilst we were undertaking **Capital Mining's** Initial Public Offering resulting in the raising of \$3,400,000 and subsequent successful listing on the ASX.

The resource at **Chakola** provides the potential for **Capital Mining** to be viewed as an emerging producer and so accordingly be re-rated by the market.

Some of the highlights of the **Chakola Resource Upgrade in terms of gold equivalents** are:

- 300,000 oz gold equivalent contained in-ground at 3g/t to 70 metres depth;
- 214,000 oz gold equivalent at 3.3g/t in the **highest resource JORC categories of measured and indicated;**
- Capital now has a **total of 436,000oz** gold equivalent at 2.9g/t to 100 metres depth;
- Drill intercept in hole HRC 012 of 25m @ 6.1 g/t equivalent;
- Drill intercept in hole NP 42 of 6m @ 10 g/t equivalent.

***The resource upgrade is near 400% if the open cut potential to 100 metres depth is included.*** This is a significant outcome for **Capital Mining** coming after almost 6 years of work. We also look forward to report on opportunities, drilling programs and project acquisitions in the coming months.

Yours Sincerely

Robert J McCauley  
Managing Director and CEO

\* All results, terms and codes are to be read in conjunction with the attached report

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**ASX CODE: CMY**

4 April 2007  
Company Announcements  
ASX Limited

Dear Sir/ Madam

***Re-Release:-***

***CHAKOLA RESOURCE UPGRADE of 240% to 300,000oz GOLD equiv\****

As discussed please find following an amended Resource Upgrade Report incorporating the following addition and typographical correction:-

1. An addition to the last paragraph of page 3 of the said Report as a revised Competent Persons Declaration and Consent as shown in appendix 5A (JORC Code) of the Listing Rules.
2. A typographical correction to the last paragraph of page 2 of the said Report under the heading "2) OXIDE RESOURCE":- replace "65,000oz" with "8,200oz", the same as shown in Table 4 on page 3 of the Report.

**The results of the Chakola Resource Upgrade remain unchanged. As shown following the highlights in terms of gold equivalents are:-**

- 300,000 oz gold equivalent contained in-ground at 3g/t to 70 metres depth.
- 214,000 oz gold equivalent at 3.3g/t in the **highest resource JORC categories of measured and indicated;**
- Capital now has a **total of 436,000oz** gold equivalent at 2.9g/t to 100metres depth.

We look forward to reporting on opportunities, drilling programs and project acquisitions in the coming months.

Yours Sincerely

Robert J McCauley  
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## ASX ANNOUNCEMENT 03 April 2007

### RESOURCE UPGRADE TO 300,000 oz EQUIVALENT HARNETT GOLD-BASE METALS PROSPECT

The directors of Capital Mining Limited are pleased to announce positive results from a revision of the resource estimate for the Harnett gold-base metals prospect in EL 5697 near Cooma, New South Wales (Fig. 1). A significant increase in the estimated tonnage and contained metal content of the primary sulphide resource has been achieved by using commodity prices updated from November 2005 and by including zinc and lead in the suite of potentially recoverable metals.

#### 1) PRIMARY RESOURCE

##### a) SHALLOW OPEN CUT POTENTIAL TO 70m DEPTH

The primary (sulphide) resource at Harnett to a depth of 70m has been re-estimated at:

**3.13 Mt @ 3.0 g/t gold equivalent containing 300,000oz gold equivalent <sup>1</sup>.**

The re-estimate is for mineralization extending from the base of oxide to the 740m RL over 720m of strike at a 1 g/t gold equivalent cut off. This is in comparison with the previous estimate of 943,000t at 2.9 g/t gold equivalent containing 88,000oz gold equivalent (gold, copper and silver only) over 480m of strike as documented in the Company's Prospectus dated 8 November 2006 (p. 30).

The threefold lift in tonnage over the original estimate came from an increase in continuity of the mineralization within the cut off boundary surfaces and from the addition of mineralization intersected in historic holes at Harnett South (see Figures 2a, 2b and 3). The bulk of the resource remains in the Measured and Indicated JORC<sup>2</sup> categories as listed in Table 1. In making the estimate, gold and silver assay values were high cut to 7 g/t and 18 g/t respectively.

**TABLE 1 HARNETT PROSPECT OPEN PIT PRIMARY RESOURCE TO 740 RL (70m below surface)**

RESOURCE CATEGORY	TONNES	GRADE GOLD EQUIVALENT g/t	CONTAINED METAL GOLD EQUIVALENT ozs
Measured	926,000	3.5	104,000
Indicated	1,068,000	3.1	107,000
Inferred	1,137,000	2.4	89,000
<b>TOTAL</b>	<b>3,131,000</b>	<b>3.0</b>	<b>300,000</b>

<sup>1</sup>Gold equivalent calculated as gold plus copper, zinc, lead and silver

<sup>2</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004, Joint Ore Reserves Committee of AusIMM, AIG and MC.

Table 2 lists the estimated grade and contained metal content for each of the principal commodities in the resource.

**TABLE 2 HARNETT PROSPECT OPEN PIT PRIMARY RESOURCE TO 740 RL  
GRADE AND ESTIMATED CONTAINED METAL CONTENT**

COMMODITY	RESOURCE GRADE	CONTAINED METAL
Gold	0.44 g/t	44,000 ozs
Copper	0.27%	8,500 t
Zinc	0.63%	19,500 t
Lead	0.30%	9,500 t
Silver	5.6 g/t	561,000 ozs

**b) DEEPER OPEN CUT POTENTIAL TO 100m DEPTH**

Projection of the mineralization to a depth of 100m below the surface, that is, to the 710m RL is justified by the thicker true width and greater continuity of the mineralization as illustrated in Figure 2. The addition of Indicated and Inferred material between the 740 and 710m RL's brings the resource total as listed in Table 3 to:

**4.63 Mt @ 2.9 g/t gold equivalent containing 436,000oz gold equivalent**

**TABLE 3 HARNETT PROSPECT OPEN PIT PRIMARY RESOURCE TO 710 RL**

RESOURCE CATEGORY	TONNES	GRADE g/t Gold Equivalent	CONTAINED METAL ozs Gold Equivalent
Measured	926,000	3.5	104,000
Indicated	1,110,000	3.1	110,000
Inferred	2,596,000	2.7	222,000
<b>TOTAL</b>	<b>4,632,000</b>	<b>2.9</b>	<b>436,000</b>

**2) OXIDE RESOURCE**

Oxidized gold and silver-bearing material which overlies the primary sulphide resource at Harnett constitutes a resource at a 0.5 g/t gold equivalent cut off of:

**195,000 tonnes @ 1.3 g/t gold equivalent containing 8,200oz gold equivalent<sup>3</sup>.**

The oxide resource is up to 20m thick and extends for at least 480m along strike (see Tables 4 and 5).

<sup>3</sup>Gold equivalent calculated as gold and silver

**TABLE 4 HARNETT PROSPECT OXIDE RESOURCE**

RESOURCE CATEGORY	TONNES	GRADE g/t Gold Equivalent	CONTAINED METAL ozs Gold Equivalent
Measured	130,500	1.4	5,800
Indicated	19,000	0.9	500
Inferred	45,500	1.3	1,900
<b>TOTAL</b>	<b>195,000</b>	<b>1.3</b>	<b>8,200</b>

**TABLE 5 OXIDE RESOURCE- GRADE AND CONTAINED METAL CONTENT**

COMMODITY	RESOURCE GRADE	CONTAINED METAL
Gold	1.1 g/t	6,800 ozs
Silver	9.3 g/t	58,000 ozs

The resource estimates are JORC<sup>4</sup> compliant and were carried out *in house* using data generated from: a) 2281 metres of drilling in 41 RC holes which were drilled by the Company in 2004 and 2005; and b) historic drill data compiled from NSW Geological Survey open file reports.

### **3) HARNETT PROSPECT - PRE-RESOURCE MINERALIZATION**

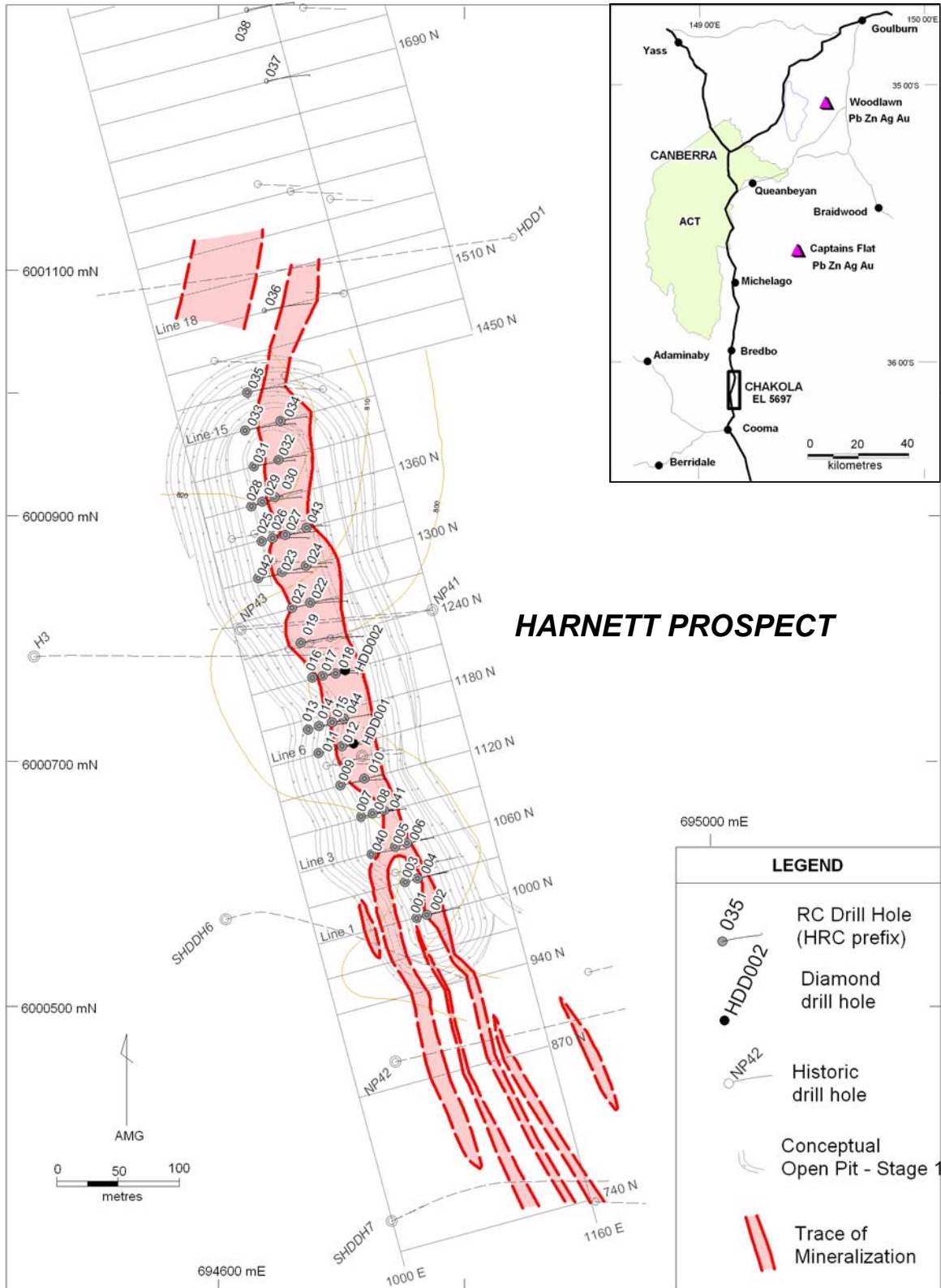
Continuity of the primary sulphide mineralization to a depth of 300m below the surface has been established at the Harnett and Harnett South prospects by historic diamond drilling (see Long Section Figure 3). The deeper mineralization lies within an alteration envelope measuring some 900m long by 20 - 150m wide. The lack of precise drill survey information and the variable integrity of the sampling and analytical data do not permit reliable quantitative estimates of this material, which is classified as pre-resource mineralization, to be made. Results from historic holes drilled into this zone are summarized in Figure 3.

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*The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based on information compiled by Richard Hine who is a Member of the Australasian Institute of Mining and Metallurgy. Richard Hine is a Director of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Richard Hine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

<sup>4</sup> Joint Ore Reserves Committee

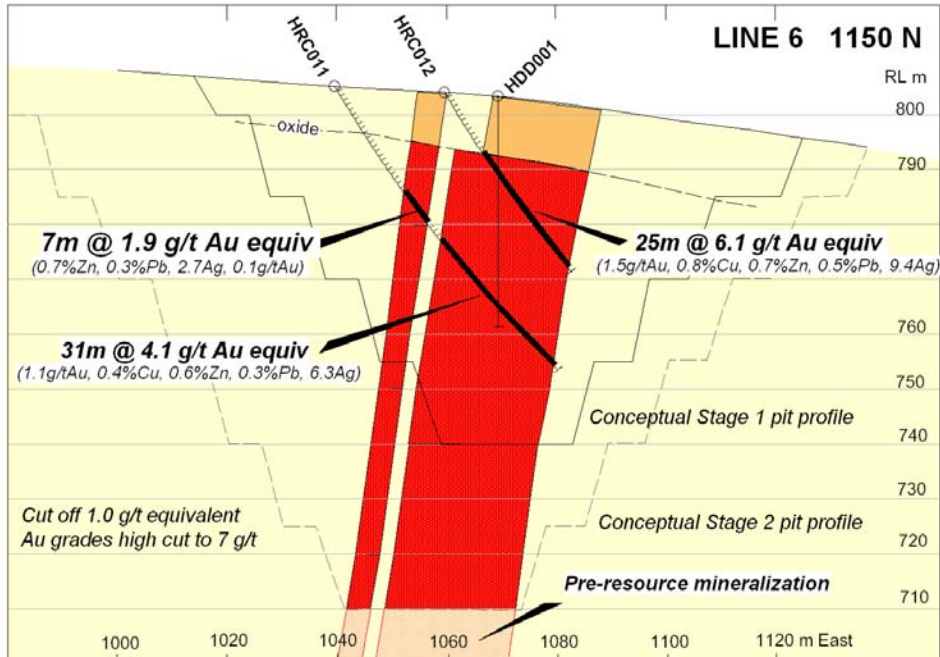
**CAPITAL MINING LIMITED**  
 ACN 104 551 171  
**CHAKOLA PROJECT - EL 5697 NSW**



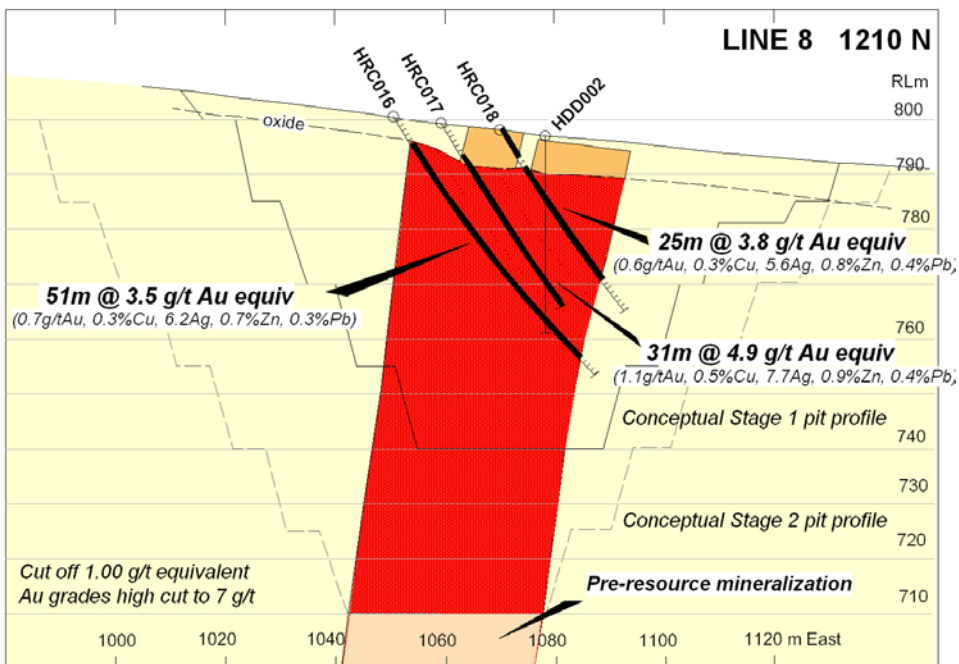
**HARNETT PROSPECT**

**Figure 1 - Chakola Project - Harnett Prospect Drill Hole Locations & Surface Trace of Mineralization**

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**HARNETT PROSPECT - CROSS SECTIONS**



**Figure 2a** Harnett prospect - Drill Cross Section 1150 N

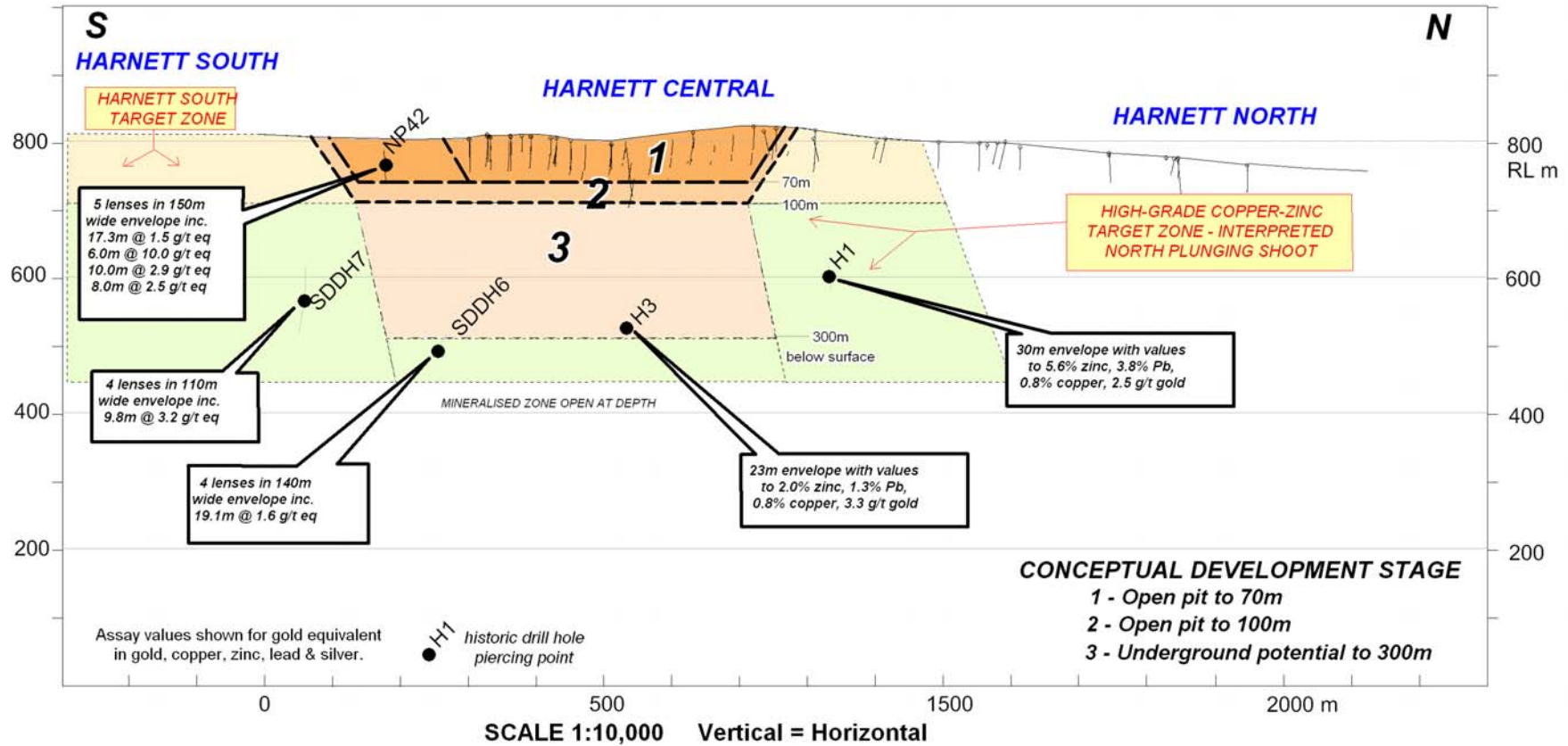


**Figure 2b** Harnett Prospect - Drill Cross Section 1210 N

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**HARNETT GOLD & BASE METALS PROSPECT**

**LONG SECTION LOOKING WEST SHOWING ESTIMATED RESOURCES AND PRE-RESOURCE MINERALIZATION**



**Figure 3 - Chakola Project - Harnett Prospect - Long Section Showing Distribution of Mineralization and Outlined Resources**