

## ASX RELEASE - 29 March 2010

### DRILLING COMMENCES IN MOVE TO ADD TO GOLD RESOURCE COWARRA PROJECT

The directors of Capital Mining (ASX code **CMY**) are pleased to advise that drilling of the first hole in an 8 hole diamond core drilling programme at its **100% owned Cowarra Gold Project** area near Bredbo, New South Wales, has commenced.

The drilling has been designed to provide information aimed at making an addition to the currently defined JORC Inferred resource of **500,000 tonnes at 2.3 g/t gold, containing 37,000 ounces of gold** at Cowarra as announced to the market on 20 August 2009.

Results of percussion drilling completed in 2005 by the previous Exploration Licence holder, Atlas Resources Pty Ltd, are being followed up. These are most encouraging and have included:

- **1m @ 43 g/t gold from 64m in hole CRC022-Victoria Lode**
- **6.5m @ 6.2 g/t gold from 39m in hole CRC001-Victoria Lode;**
- **2.0m @ 14.4 g/t gold from 8m in hole CRC007-Princess Lode; and**
- **4.0m @ 10.8 g/t gold from 69m in hole CRC029-Democrat Lode**

The current drilling is being targeted on high-grade gold-sulphide veins and shoots in shear zones and extensions of known gold mineralisation in and adjacent to historically defined mineralised blocks in the Cowarra mine above Four Level will be tested (i.e. up to 150m below surface).

The drilling comes on top of an ongoing exploration work programme in the tenement that has included reprocessing of geophysical data, surface geological mapping, rock chip sampling, survey control establishment and inspection of underground mine workings. *Encouraging signs of mineralisation were located along strike during the mapping and there are indications from a reanalysis of the airborne magnetic data that the mineral system has a considerable vertical extent. This potential has been completely untested to date.*

The drilling is expected to take several weeks to complete and the directors look forward to assessing and announcing the results as they become available. For further information please contact Chris Ablett, Rick Hine, Rob McCauley or John Seeley.

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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.*

## CAPITAL MINING LIMITED SOUTHERN DIVIDE REGION PROJECT LOCATION MAP

