

ASX RELEASE - 29 March 2010

DRILLING OF PROSPECTIVE COPPER-GOLD TARGETS COMMENCES

PORTERS MOUNT, NSW

Capital Mining's directors (**ASX code: CMY**) are pleased to advise that a 1700m drilling programme at its **100% owned Porters Mount Prospect** within Exploration Licence 6591, in central New South Wales, has commenced.

- *SHALLOW TARGETS generated from the results of previous drilling, geophysical surveys and soil sampling will be tested with a view in the first instance to locating oxide gold and copper resources amenable to open cut mining;*
- *Results will be fed into models of the known and very large mineral system at Porters Mount to design a follow up programme to locate the PRIMARY TARGET which is a WORLD-CLASS COPPER-GOLD DEPOSIT.*

Capital has been exploring a large diatreme breccia and intrusive complex at Porters Mount since mid 2006 for targets that include epithermal gold and silver deposits, gold and copper in skarns and porphyry gold-copper-molybdenum deposits.

The project area is strategically located within the highly productive Lachlan Fold Belt as illustrated below. It is **in close proximity to both a major gold mine with 139 tonnes of contained gold** in the pre-production resource (Cowal mine) and a world-class disseminated porphyry-style copper deposit in the resource definition stage at Marsden.

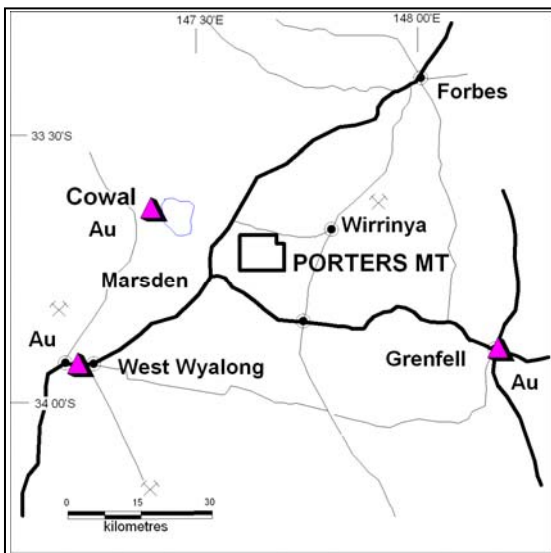
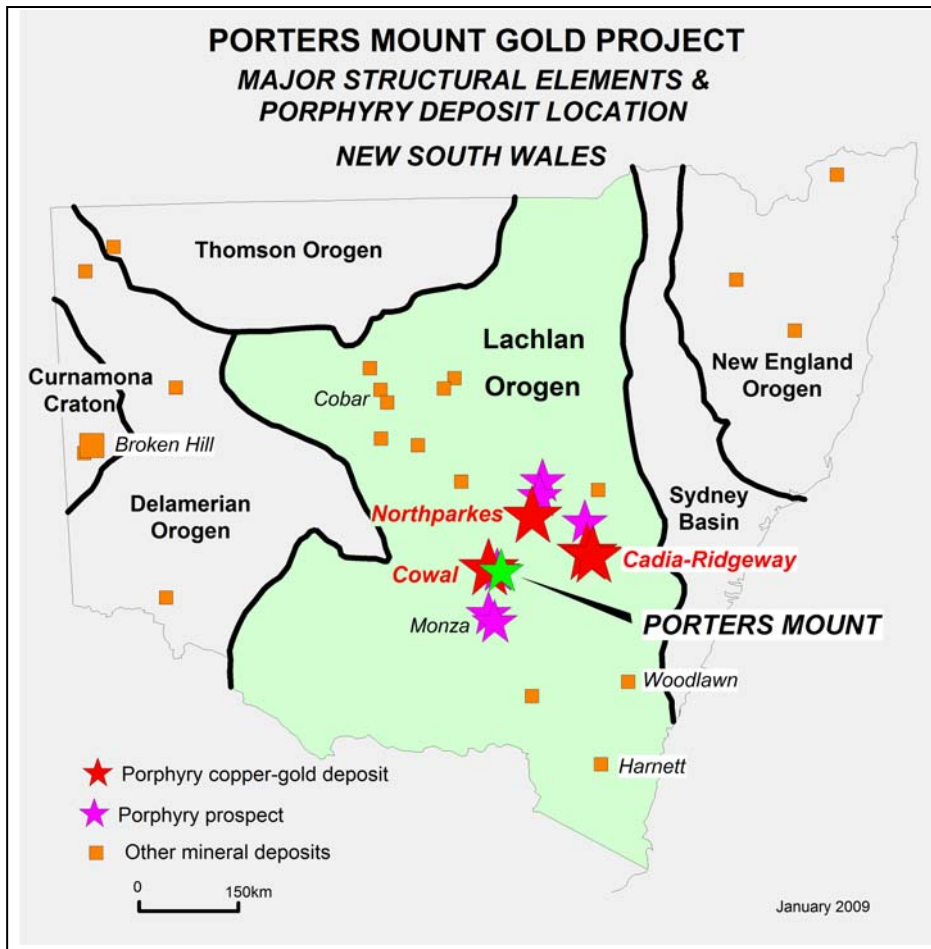
The current drilling at Porters Mount has been designed to test for:

- *Gold in shallow, bulk-mineable, sheeted vein style deposits in the oxide zone, as indicated by a cluster of ore grade gold intercepts in historic drill holes;*
- *A predicted high-grade gold-silver deposition zone in vein breccia projected from a gold-bearing zone intersected at depth in previous Capital hole PMD01; and*
- *A series of magnetic and gravity anomalies in the underexplored northern part of the prospect where conceptual targets for gold and copper in intrusive rocks, breccias and skarn or limestone replacement deposits are to be investigated.*

The latter include a very prospective feature in the form of a prominent circular magnetic and coincident gravity high buried under cover in the northwest part of the prospect. Anomalous values for gold, copper and other pathfinder elements were detected in soil samples collected directly over the concealed geophysical anomaly in what is seen as a very positive result.

The drilling is expected to take 2-3 weeks to complete and the directors look forward to assessing and announcing results as they become available. For further information please contact the management team Rick Hine, Chris Ablett, John Seeley or Rob McCauley.

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Typical drill site in Porters Mount area with outcrop of breccia at Porters Mount trig point in the background © 2010

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.