CAPITAL MINING LIMITED

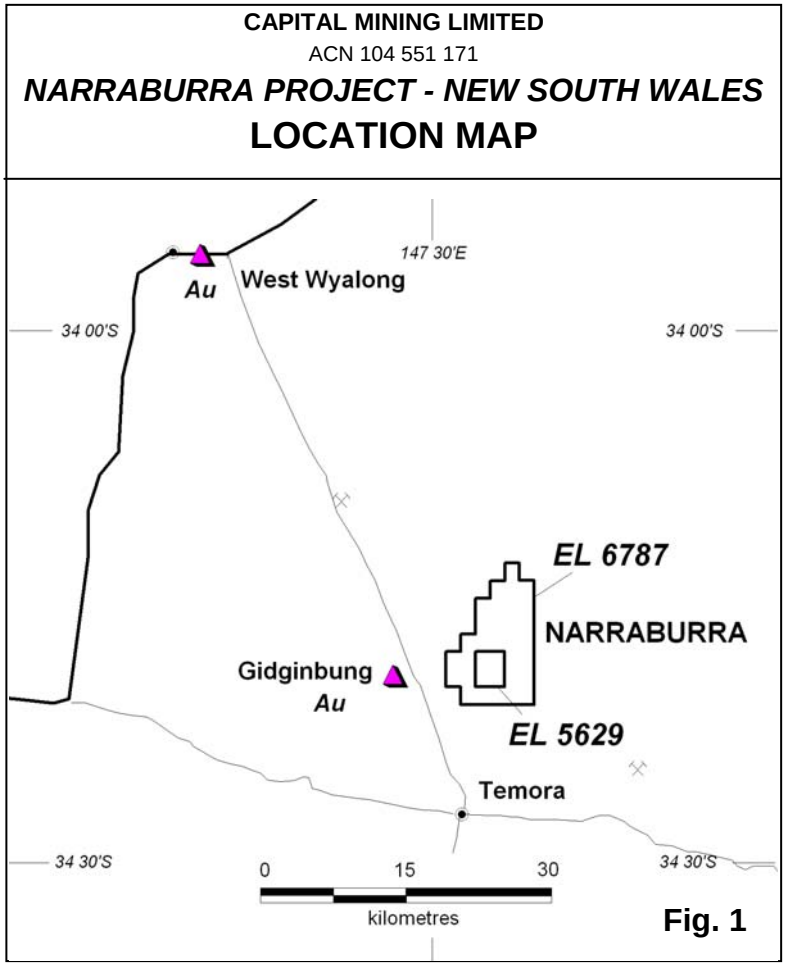
ABN 69 104 551 171

27 July 2007

Company Announcements Office
ASX Limited

Analytical Results Received for Narraburra Heavy Mineral Separates - EL 5629, NSW

High values for zirconium, at an average of 3.5 % (in the range 0.2% to 12.9%) and for hafnium, niobium, yttrium, REE[1], thorium (to 133 ppm) and uranium (to 1100 ppm; see Table 2 attached) were recorded from 14 heavy mineral separates made from drill chip material obtained from the 2006 drilling program at the Narraburra zirconium and rare metals prospect in EL 5629 near Temora, New South Wales (Fig. 1).



The heavy mineral separates, which represent a relatively small proportion of the total sample, were made under ideal laboratory conditions from the 14 composite RC drill chip samples which were crushed to minus 1mm, de-slimed and separated into a minus 2.96 g/cc light fraction and a plus 2.96 g/cc heavy fraction using tetrabromoethane liquid (see Figure 2 for sample locations).

[1] Rare Earth Elements

The heavy mineral fraction consisted of between 0.6 to 5.9 weight percent of the plus 20 micron fraction (i.e. the non-slime fraction) of each sample (see Table 1).

In addition to the elements noted above, the heavy mineral fraction was high in zinc (up to 3830 ppm) and also had elevated levels of the chalcophile elements lead (up to 3500 ppm), arsenic (up to 371 ppm), silver (up to 10 ppm) and palladium (up to 88 ppm; see analyses listed in Table 2). The REE analyses are listed in Table 3 and these are notably high in cerium (up to 1.07%), dysprosium (to 758 ppm) and erbium (to 881 ppm) for example.

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NARRABURRA PROJECT - NEW SOUTH WALES

DRILL HOLE & HEAVY MINERAL SAMPLE LOCATIONS

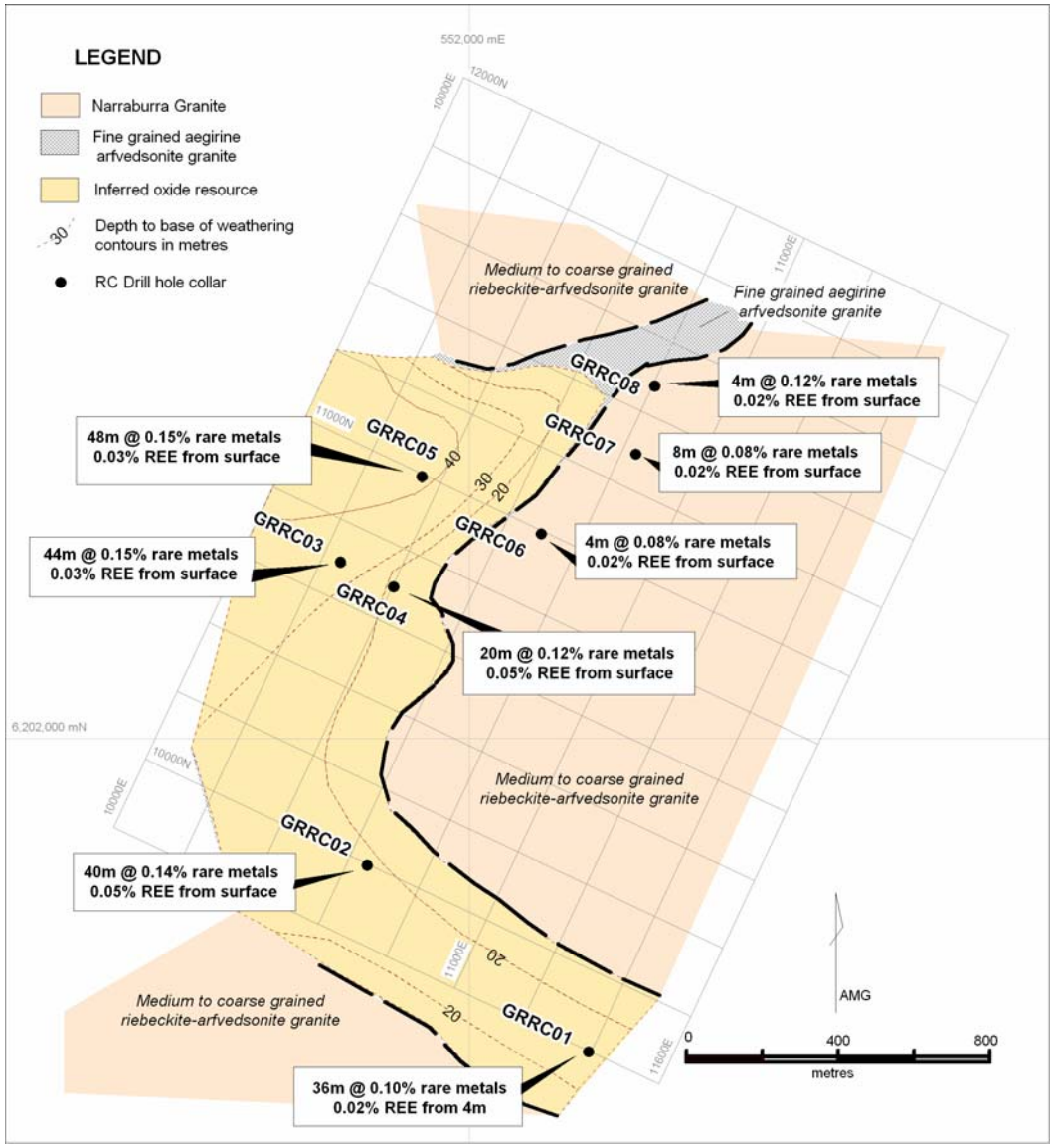

Fig. 2

The high slime content of the original, untreated samples as listed in Table 1, is considered to be due to excessive pulverization during rotary percussion drilling of the soft material through which each drill hole passed. In this sense the samples were not ideal and they are considered to be "over ground".

Nevertheless, the results confirm that there is potential to make a rare metal-bearing heavy mineral concentrate by conventional gravity separation methods from the weathered, oxidized granitic material that is present in the near surface at the Narraburra prospect.

Follow up work to test this potential in the form of shallow auger drilling and pitting to obtain more suitable, that is less disturbed bedrock samples for further metallurgical testing is planned for the coming months.

Yours faithfully

Richard Hine
Chairman

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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.

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TABLE 1 NARRABURRA HEAVY MINERAL SEPARATE ANALYSES - Plus 20 Micron Fraction - Analyst AMDEL Laboratories

SIZING AND HEAVY LIQUID SEPARATION RESULTS

Sample #	Drill Hole # (GRRC prefix)	Depth From (m)	Depth To (m)	Location AMG mE	Location AMG mN	Wt% Slime Frac. -20 micron	Separation Results Wt% Light Frac. <2.96 SG	-1mm+20 micron Frac. Wt% Heavy Frac. >2.96 SG
07NARC001	1	20	24	552315	6201170	45.2	99.3	0.7
07NARC002	1	24	28	..	..	47.5	98.3	1.7
07NARC003	2	16	20	551730	6201665	49.4	98.7	1.3
07NARC004	2	28	32	..	..	27.7	96.7	3.3
07NARC005	3	4	8	551660	6202465	44.1	95.9	4.1
07NARC006	3	12	16	..	..	44.9	98.0	2.0
07NARC007	3	20	24	..	..	42.0	97.9	2.1
07NARC008	3	40	44	..	..	28.9	94.1	5.9
07NARC009	4	16	20	551800	6202400	18.6	95.5	4.5
07NARC010	4	28	32	..	..	17.7	96.4	3.6
07NARC011	5	8	12	551875	6202690	32.7	99.4	0.6
07NARC012	5	24	28	..	..	41.1	98.6	1.4
07NARC013	5	32	36	..	..	33.6	98.1	1.9
07NARC014	5	40	44	..	..	29.9	96.5	3.5
					Average	*36.0*	*97.4*	*2.6*

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TABLE 2 NARRABURRA HEAVY MINERAL SEPARATE ANALYSES - Plus 20 Micron Fraction - Analyst AMDEL Laboratories

Sample #	Hole	From	To	Zr	Hf	Nb	Y	Ga	U	Th	Pb	Fe	Ag	Zn	Mo	Ta	W	Sn	As	Au	Pd	Pt
Units	#	m	m	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Method				IC4M	IC4M	IC4M	IC4M	IC4M	IC4M	IC4M	IC3E	IC3E	IC3M	IC3M	IC3M	IC3M	IC3M	IC3M	IC3M	AA11	AA11	AA11
07NARC001	1	20	24	129000	3270	3380	5280	88	461	133	2040	22.0	1	1780	20	58	51	169	55	bld	88.0	2.1
07NARC002	1	24	28	47400	1170	2970	2750	89	284	74	2550	31.1	6	837	22	75	60	110	76	bld	45.3	1.1
07NARC003	2	16	20	101000	2550	6470	4350	111	1100	108	3130	30.8	1	947	59	127	70	275	225	bld	67.6	1.1
07NARC004	2	28	32	20400	537	3050	1380	24	383	35	873	21.2	5	3830	5	35	60	224	57	bld	5.9	0.0
07NARC005	3	4	8	10800	162	640	296	78	28	21	132	33.2	4	97	6	15	16	40	164	bld	0.1	0.0
07NARC006	3	12	16	2410	40	1240	177	107	14	8	441	30.1	3	666	16	30	31	119	183	bld	4.5	0.0
07NARC007	3	20	24	17600	430	1980	536	105	65	17	672	31.2	8	273	19	60	46	283	265	bld	13.6	0.1
07NARC008	3	40	44	8450	158	550	1170	35	237	6	1740	21.3	5	2940	10	18	17	79	99	bld	0.0	0.0
07NARC009	4	16	20	15000	420	1380	1060	15	193	14	1030	20.5	5	3330	3	55	87	125	92	bld	8.3	0.0
07NARC010	4	28	32	5440	96	790	1170	18	56	6	942	21.6	3	2880	6	24	16	98	86	bld	0.1	0.0
07NARC011	5	8	12	99000	2620	3710	2620	92	478	74	1680	22.7	7	705	17	123	41	178	217	bld	4.5	0.0
07NARC012	5	24	28	18300	452	2170	2070	95	184	20	1770	29.5	10	352	23	56	35	179	371	bld	16.3	0.2
07NARC013	5	32	36	10500	155	690	1680	31	102	12	3500	22.3	8	2210	15	17	26	113	181	bld	9.7	0.1
07NARC014	5	40	44	13000	189	430	1390	20	65	10	2360	20.4	9	2510	15	19	19	118	93	bld	9.8	0.1

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TABLE 3 NARRABURRA HEAVY MINERAL SEPARATE ANALYSES - Plus 20 Micron Fraction - Analyst AMDEL Laboratories

RARE EARTH ELEMENTS

Sample #	Drill Hole #	From	To	La	Ce	Dy	Er	Eu	Gd	Ho	Lu	Pr	Sm	Tb	Tm
Units		m	m	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Method				IC3M	IC3M	IC3R	IC3R	IC3R	IC3R	IC3R	IC3R	IC3R	IC3R	IC3R	IC3R
07NARC001	1	20	24	752	5450	758	881	13.00	329	212	182	250	264	82	175
07NARC002	1	24	28	228	1800	498	583	5.84	179	140	116	90	136	51	115
07NARC003	2	16	20	131	7730	582	803	3.44	151	179	185	45	79	52	168
07NARC004	2	28	32	599	1400	289	240	6.69	215	65	54	237	227	47	52
07NARC005	3	4	8	13	193	40	41	2.09	20	10	8	9	14	5	8
07NARC006	3	12	16	5	97	43	48	0.24	13	12	10	3	6	4	10
07NARC007	3	20	24	58	391	111	118	0.73	40	29	25	19	25	12	24
07NARC008	3	40	44	86	10700	336	257	3.91	165	74	55	53	123	47	53
07NARC009	4	16	20	205	1840	206	169	2.63	132	51	33	86	106	30	29
07NARC010	4	28	32	519	1750	323	180	7.93	293	62	34	228	266	60	32
07NARC011	5	8	12	249	633	283	334	4.16	141	80	70	83	111	36	67
07NARC012	5	24	28	148	1990	366	312	3.78	201	89	57	72	126	51	61
07NARC013	5	32	36	310	4610	336	263	4.49	220	77	56	110	169	50	52
07NARC014	5	40	44	145	2220	274	225	3.49	168	64	49	73	118	41	46