

CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

20 November 2009

Ladies and Gentlemen,

Welcome everyone to this our third Annual General Meeting.

It is a pleasure to see so many of our shareholders and supporters here and we are again happy to be hosting this event in the nation's capital.

At this point in time I believe Capital Mining is in a much stronger position than it was twelve months ago. In the last year we have:

- Acquired an exciting new gold project centred on the historic Cowarra Gold mine near Bredbo, which has:
 - excellent potential for addition to the current gold resource; and
 - untapped potential for discovery of an underlying gold mineralized feeder zone at depth;
- Gone a long way towards earning a controlling 51% interest in the Mayfield Joint Venture property where we have defined a significant near surface gold-copper-silver-zinc resource, which we believe has outstanding development potential;
- Completed a Rights Issue to raise approximately \$1 million in funds;
- Lodged development applications for the Chakola gold-copper-lead-zinc-silver project and the Craigie alluvial gold project;
- Announced initial gold and gold-copper-silver-zinc resources at the Cowarra and Mayfield prospects respectively, which have tripled the Company's gold resource base alone to 75,000 contained ounces *in situ* across three deposits¹;
- Achieved another milestone at our very substantial Narraburra Rare Earths prospect near Temora by excavating a bulk sample, learning more about the physical character of the mineralisation, and obtaining samples for vital metallurgical and beneficiation test work.

We have always had a very diverse range of commodities in our portfolio. The addition of the Cowarra and Mayfield projects, which have a strong gold focus, has we believe, added significant value to our exploration assets in that area. The increasing demand for Rare Earths

¹ See Capital Mining ASX announcements of: 2nd September 2008, 20th August 2009 and 28th September 2009.

CAPITAL MINING LIMITED



ABN 69 104 551 171

and rare metals such as zirconium and lithium, in a climate of rapidly changing technology, has brought our Narraburra prospect back into vogue with potential joint venture partners and a new uranium find close to one of our tenements in South Australia has added significantly to the uranium discovery potential within our ground.

In respect of the Chakola and Craigie development applications, we are addressing the issues that have been identified as requiring further attention by the regulatory authorities and in each case, we are continuing to work towards final submission of the development proposals.

Multiple prospective targets have been identified at our Porters Mount prospect in the gold-copper porphyry province of central west New South Wales and specifications for a second campaign of drilling have been drawn up.

Our conceptual targets for platinum, nickel, cobalt and gold at Milparinka and for uranium, gold and base metals at Coonalpyn remain valid and in both instances the search areas have been substantially reduced. More funds are required to drill what we predict could be discovery holes in these absolutely green fields project areas and we are pursuing efforts to attract joint venture participation to advance these projects.

As we go into the year ahead we anticipate being able to implement our work programmes to best effect and to once again generate positive results. Our work will be focussed on firming up resource estimates, drilling new targets, developing concept plans and providing sound scientific backing for our development proposals.

We look forward to be able to report positive results from this work in 2010 and I once again thank everyone for their contributions and support in 2009.

Rick Hine

EXECUTIVE 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.