

## ASX RELEASE - 21 May 2010

### FIRST DRILL RESULTS CONFIRM GOLD POTENTIAL COWARRA PROJECT, NSW

Capital's directors are pleased to announce that very encouraging gold values have been recorded in core samples from the first of its diamond drill holes at its **Cowarra Gold Project** area near Bredbo, New South Wales.

Current drilling targets high-grade gold-sulphide veins and shoots in shear zones adjacent to known mineralised blocks in the old Cowarra mine above Four Level. Work is 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 (see announcement of 20 August 2009).

**Gold values peaked at 19.1 g/t in the drill hole designed to test the southern extension of the Victoria Lode at the Cowarra mine.**

Significant intersections in terms of width and grade were made at several points down the hole from near surface to the base at 178.75m. As shown in Table 1, these included:

- **10.5m @ 2.57 g/t gold**
  - **including 2.3m @ 9.71 g/t gold from 157.8m**
- **4. 5m @ 1.17 g/t gold from 112.7m**
- **1.4m @ 2.87 g/t gold from 121.4m**

Assay results confirm core logging observations in which gold values above 0.5 g/t coincide with intervals of massive and disseminated sulphide mineralisation in fracture fill. Infill sampling and check assaying is in progress.

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

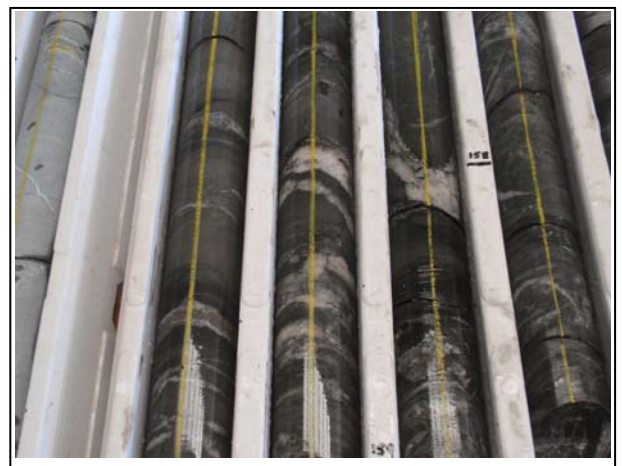
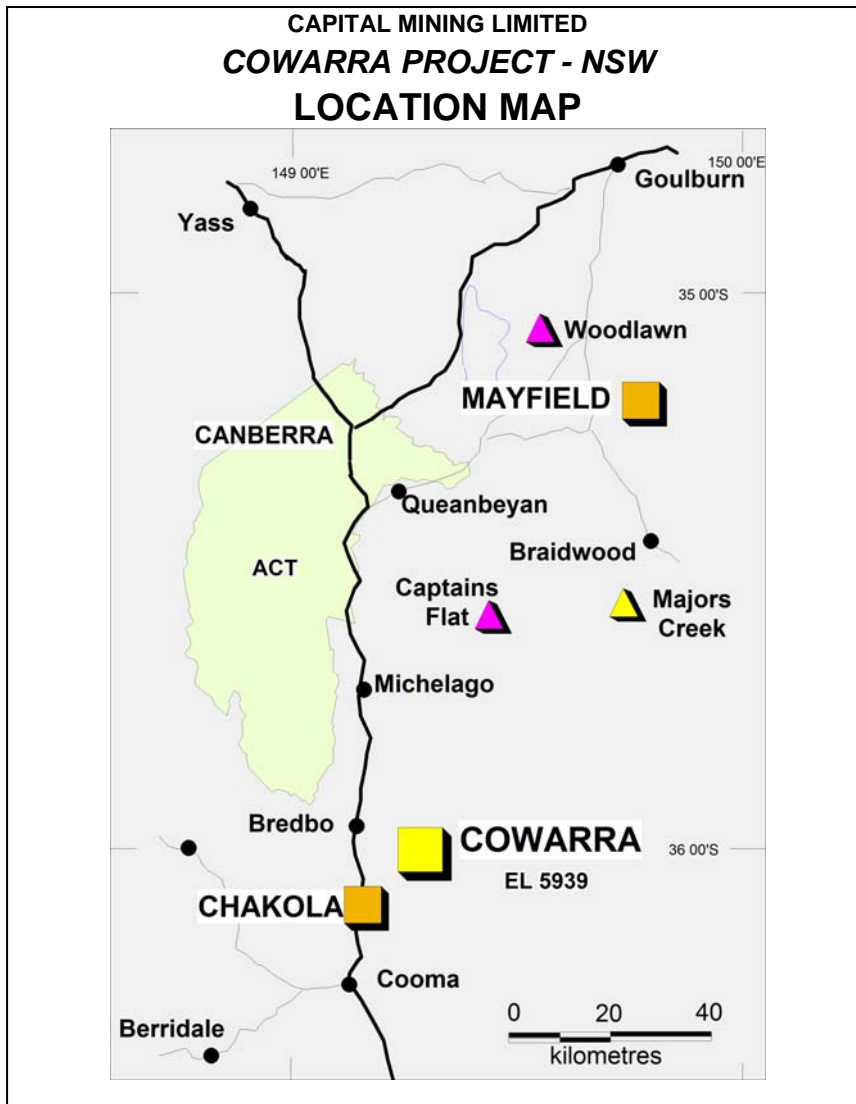
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*The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based on information compiled by Richard Hine who is a Member of the Australasian Institute of Mining and Metallurgy. Richard 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.*

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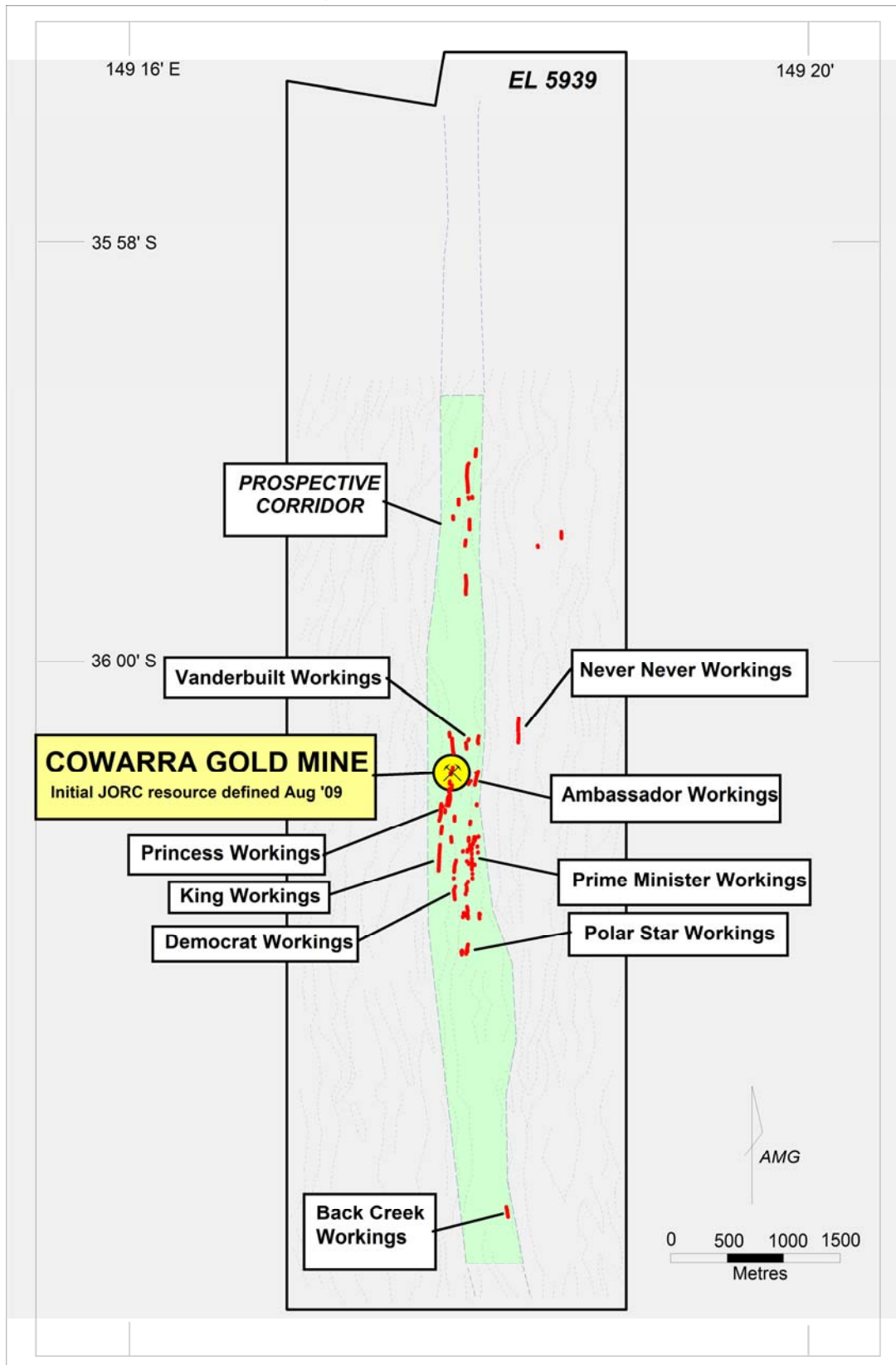


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TABLE 1 CAPITAL MINING LIMITED COWARRA PROJECT EL 5939, NSW RESULTS FROM FIRST DIAMOND CORE HOLE				
From	To	Intercept	Gold	Comment
<i>m</i>	<i>m</i>	<i>metres</i>	<i>g/t</i>	
8.84	12.22	3.38	0.59	Near surface intercept in oxide zone
<i>Including</i>				
12.00	12.22	0.22	3.30	
58.52	59.56	1.04	2.43	Pyrite dominant sulphide mineralisation
67.68	68.75	1.07	1.97	As above
90.77	93.30	2.53	1.55	As above
<i>Including</i>				
90.77	91.00	0.23	4.25	
112.72	117.17	4.45	1.17	As above
121.40	122.83	1.43	2.87	As above
<i>Including</i>				
121.40	122.00	0.60	4.93	
157.80	168.33	10.53	2.57	Main target zone - Victoria Lode
<i>Including</i>				
158.33	160.66	2.33	9.71	Includes 19.1 g/t gold over 0.33m from 158.33m

TABLE 2 CAPITAL MINING LIMITED COWARRA PROJECT EL 5939, NSW DRILL HOLE COLLAR DETAILS									
Hole #	Prospect	Easting	Northing	RL	Depth	Dip	Azimuth	Completed	Size
		<i>amg</i>	<i>amg</i>	<i>m</i>	<i>m</i>		<i>mag.</i>		
10CWD_1	Victoria	707189	6012413	974	178.7	-60	256	10-Apr-10	NQ

## CAPITAL MINING LIMITED COWARRA EL 5939, NSW -- PROSPECT LOCATION MAP



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COWARRA EL 5939, NSW  
DRILL HOLE LOCATION MAP

