

ASX ANNOUNCEMENT (ASX code: CMY)

12 July 2010

EARN-IN COMPLETED MAYFIELD COPPER-GOLD PROJECT, NSW

Capital's directors are pleased to advise that expenditure on the Mayfield Copper-Gold Project (Exploration Licence 6358), which includes a significant gold and base metals resource at the Mayfield Prospect, has reached the point where Capital has earned a controlling 51% equity interest in the tenement.

Capital has been managing exploration at Mayfield since April 2009 under the terms of a Heads of Agreement with Monaro Mining NL ("Monaro" ACN 073 155 781, now Australian American Mining Corporation NL, "AAMC"). Capital has recently consented to Monaro assigning its interest in EL 6358 to **Forge Resources Ltd** ("Forge" ACN 139 886 187) under a Deed of Assignment and Assumption.

Capital has advised Forge that it has reached the 51% earn-in milestone and Forge has indicated that it will contribute its share to the ongoing agreed 2010-2011 exploration programme to maintain its interest. Capital has the right to take its interest to 75% for expenditure of a further \$100,000 should Forge elect to dilute its interest.

A number of very promising gold, base metal and iron skarn deposits are under evaluation in the tenement which is strategically located near Braidwood in the Southern Divide Region of NSW.

Highlights of the work completed under Capital's direction in EL 6358 to date include:

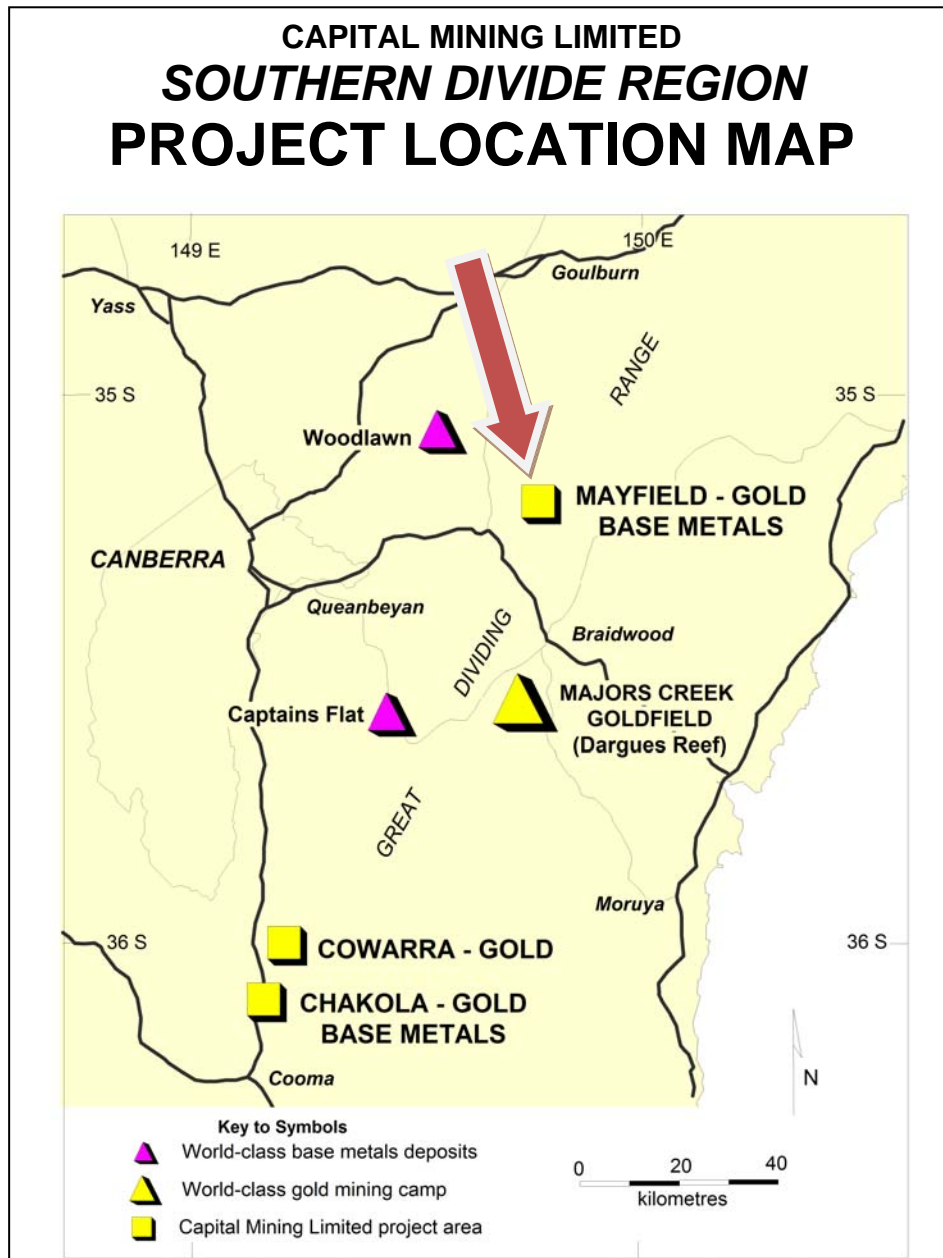
- **Definition of a JORC Inferred resource¹ at the Mayfield Prospect of**
 - 4.0 million tonnes at 0.4% copper, 0.6g/t gold, 8.4g/t silver
 - containing 77,000 oz gold, 16,000 tonnes copper and 1.2 million oz silver
- 87% of resource is oxide material potentially amenable to low cost mining and treatment
- Separate zinc oxide resource at 2.7% zinc containing 19,000 tonnes zinc
- Skarn hosted mineralisation open along strike and at depth
- Magnetite resource potential identified
- Numerous underexplored gold and base metal targets defined by historic data.

Very positive results have been generated to date and further exploration focused on the definition of more drill targets across what is regarded as a highly prospective tenement is continuing. Capital's management team looks forward to strengthening ties and working with new joint venture partner Forge in the future to mutual benefit. For further information please contact:

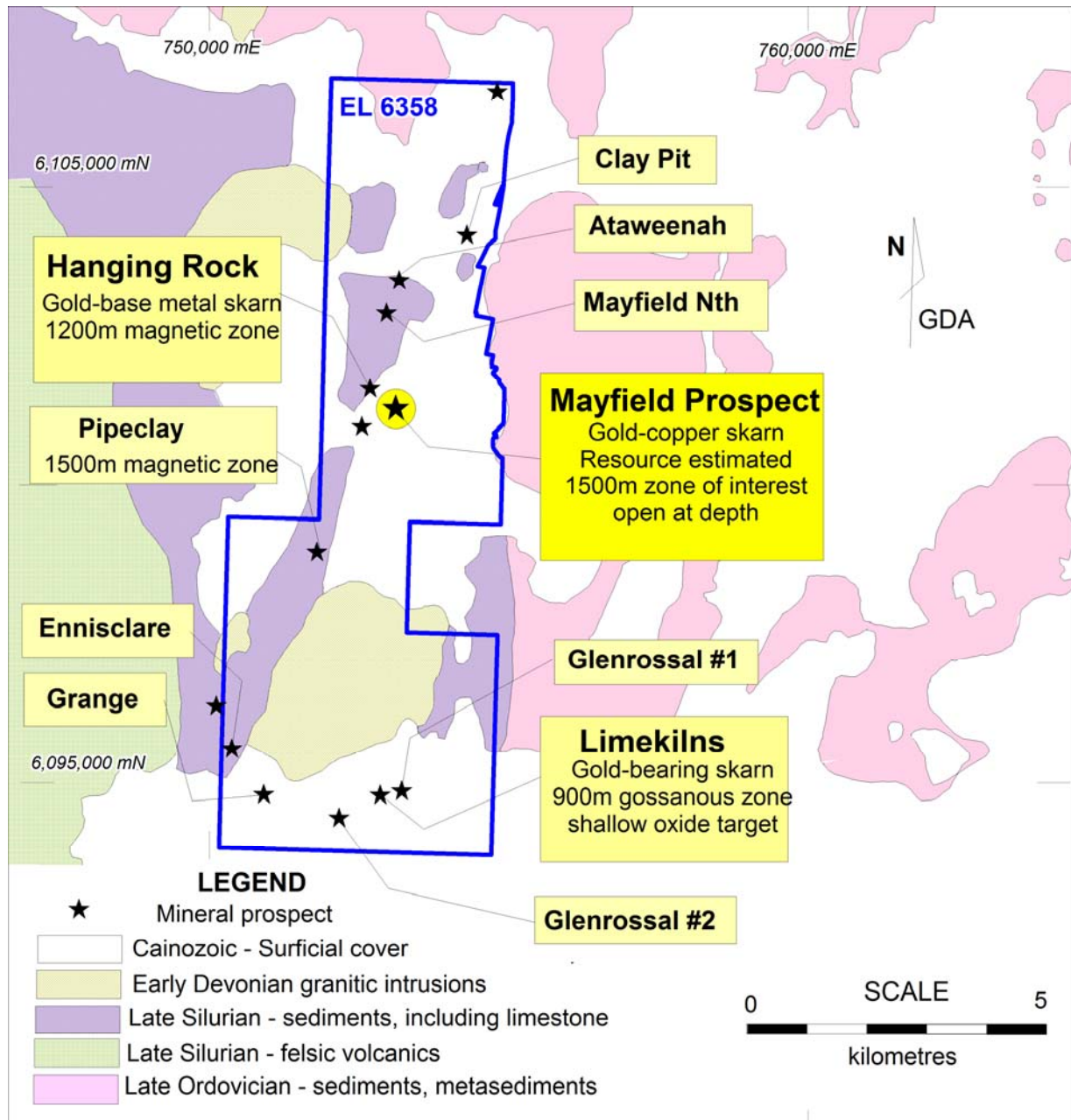
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¹ Refer to ASX announcement to the market on 28 September 2009.

CAPITAL MINING LIMITED SOUTHERN DIVIDE REGION PROJECT LOCATION MAP



CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROJECT PROSPECT LOCATION MAP



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.