

## ASX ANNOUNCEMENT (ASX code: CMY)

05 December 2011

### DRILLING COMMENCES

#### **MAYFIELD COPPER-GOLD PROJECT, NSW**

Capital Mining is pleased to advise that drilling of gold, silver, copper, lead and zinc bearing deposits at the Mayfield and Limekilns prospects within Exploration Licence 6358 in southeast New South Wales has commenced.

Promising gold, base metal and iron-rich skarn deposits are under evaluation in the tenement which is strategically located near Braidwood in the Southern Divide Region of NSW. Work to date within the Mayfield project area has resulted in the:

- **DEFINITION OF A JORC INFERRED RESOURCE<sup>1</sup> AT THE MAYFIELD PROSPECT OF:**
  - **4.0 million tonnes at 0.4% copper, 0.6g/t gold, 8.4g/t silver and**
  - **containing 77,000 oz gold, 16,000 tonnes copper and 1.2 million oz silver**
- **Definition of a zinc oxide resource at 2.7% zinc containing 19,000 tonnes zinc**
- **Identification of skarn hosted mineralisation with significant potential along strike and down dip at a number of separate locations.**

Exploration in the Mayfield project area is being conducted in partnership with Forge Resources Ltd ("Forge" ACN 139 886 187) and is principally for gold and copper in contact skarns and for disseminated and vein style gold, silver and base metal deposits in granitic host rocks. Capital has earned a 51% interest in the project, is managing the joint venture and Forge is contributing.

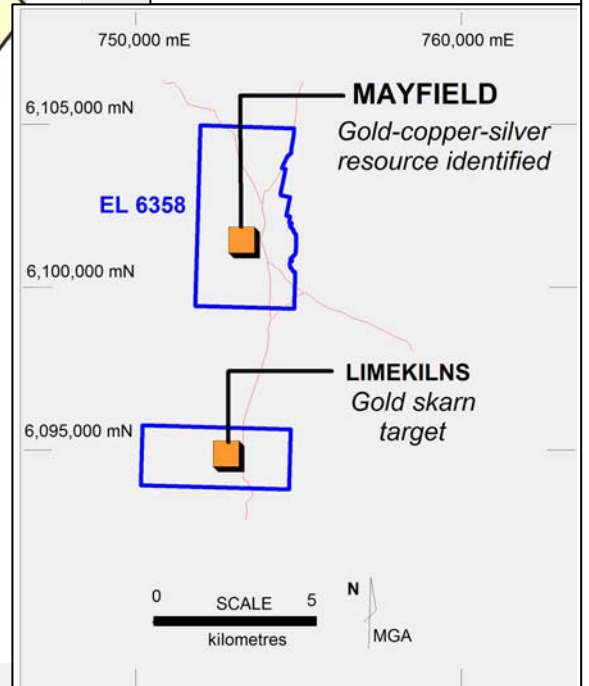
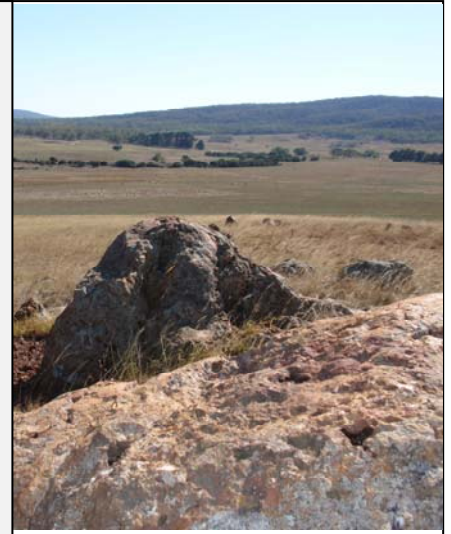
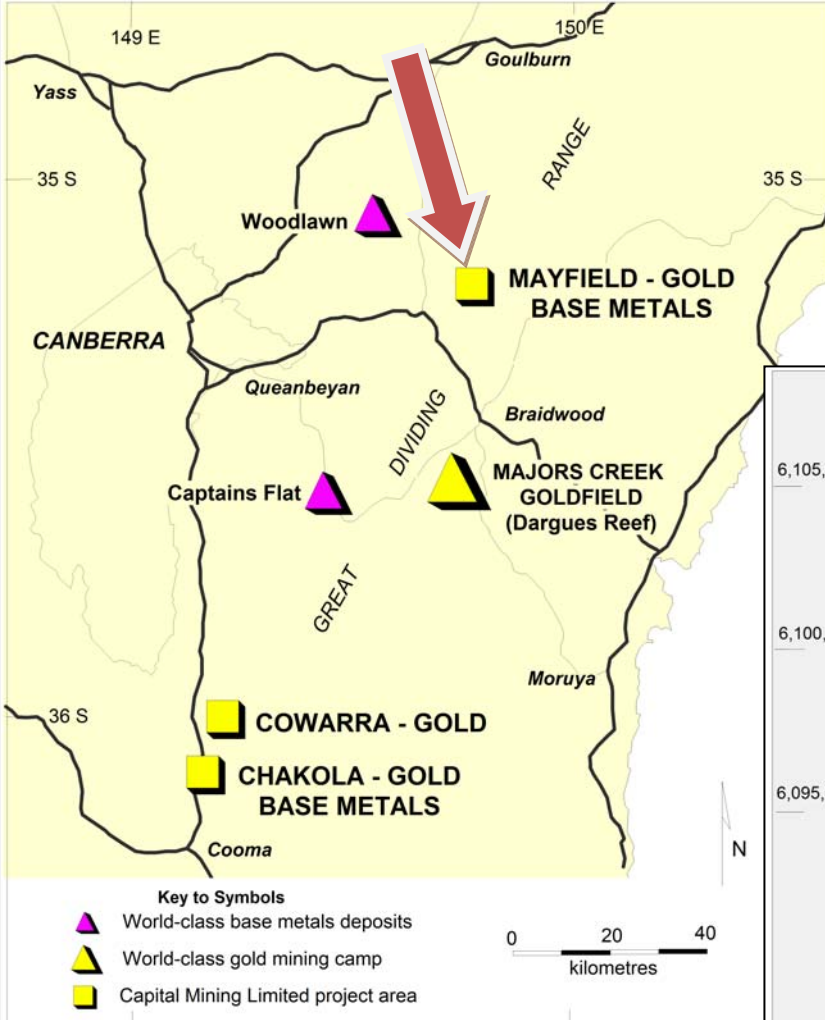
At the **Mayfield prospect**, where exploration is at an advanced stage, the drilling has been designed to verify grades obtained from historic drilling and to recover samples for a proposed metallurgical test program. At the **Limekilns prospect**, where a 600 by 300 metre target zone has been defined, geological mapping has been completed and the drilling has been designed to follow up encouraging gold, silver and base metal intercepts in historic drill holes. Shallow open pit mineable and deeper, stratabound mineralisation in a potentially voluminous down dip extension is being targeted.

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. The directors look forward to releasing the results of the drilling as they become available. For further information please go to the Company's website at [www.capitalmining.com.au](http://www.capitalmining.com.au) or contact the management team.

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<sup>1</sup> Refer to CMY:ASX market release of 28 September 2009.

## CAPITAL MINING – FORGE RESOURCES JV SOUTHERN DIVIDE REGION MAYFIELD PROJECT LOCATION



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.