

## ASX ANNOUNCEMENT (ASX code: CMY)

03 January 2012

### EXPLORATION PROGRESS REPORT

Gold, base metal, uranium and Rare Earths explorer Capital Mining Limited (CMY) is pleased to provide the following summary report on its NSW project areas:

#### **Mayfield Joint Venture (EL6358)-- Gold-Copper-Silver in Skarn Focus**

*(Capital Mining 51% ; Forge Resources Limited 46.5% - contributing)*

Drilling of gold, silver, copper, lead and zinc prospects is set to recommence at Mayfield after operations were suspended in mid December 2011 due largely to wet ground conditions and mechanical problems. A preliminary batch of 148 samples from the 3 holes completed to date, for a total of 175 metres, has been submitted for analysis and results are awaited.

#### **Narraburra (EL 5629; EL 6787)—Disseminated Zirconium-Niobium-Rare Earths Focus**

*(Capital Mining 100%)*

Notification of the renewal of Exploration Licences 5629 and 6787, which cover the large, granite hosted Rare Metals and Rare Earths resource at Narraburra\* and surrounding targets, has been received from the Department of Industry and Investment (\* see CMY ASX announcement of 09 November 2011). Both licences were renewed in full for a further two year term expiring on the 3 November 2013 and 23 May 2013 respectively. The renewal will facilitate continued exploration of this important resource and its postulated extensions.

#### **Milparinka (EL 6832)— Intrusion related Au-Cu and Magmatic Nickel-PGE Focus**

*(Capital Mining 100%; AMWD Formerly Earning 49%)*

On 31 December 2011, the agreement between CMY and Australian Mineral and Waterwell Drilling Pty Ltd (AMWD) (ACN 127 948 850), through which AMWD was entitled to earn a 49% interest in the project by sole funding and carrying out an agreed drilling program, expired. The proposed drilling was to have provided the initial test of a magnetic hydrothermal alteration zone of regional scale that is associated with a very large, deep seated intrusive body and that is located in a very favourable structural setting at the intersection of two major crustal discontinuities. A new joint venture partner is being sought and efforts to get a drill hole into this extraordinary conceptual target zone are continuing.

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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*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.*