

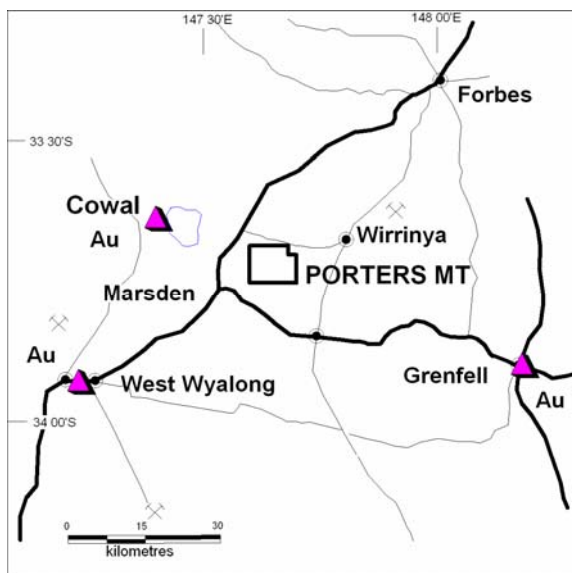
04 June 2008

Company Announcements Office
ASX Limited

Drilling of Copper-Gold Target at Porters Mount Commences, EL 6591, NSW

The directors of Capital Mining Limited (**ASX code: CMY**) are pleased to announce that the drilling of a deep diamond core hole at the Porters Mount copper-gold-molybdenum prospect within Exploration Licence 6591 in central New South Wales has commenced.

The hole is being drilled to a depth of around 800m and represents the first ever test of what is postulated to be the deep, more copper-gold mineralised part of a large vertically zoned and geochemically fractionated porphyry-style mineral system.



Porters Mount Project - EL 6591 Location

The drilling has been specifically targeted on a zone of what appears to be magnetite destructive hydrothermal alteration that is coincident with an Induced Polarisation geophysical anomaly. The IP anomaly is interpreted to be a zone of disseminated pyrite alteration. This may surround an intrusion-hosted copper-gold or copper-molybdenum ore shell.

The drill target itself, lies within a much larger area of indicative alteration and diffuse mineralization. This includes voluminous silica-tourmaline breccias and silica-tourmaline altered metasediments that are enriched in arsenic, boron, antimony and other volatile elements.

The breccias have been intruded by a suite of intrusions that include biotite diorite, tonalite, feldspar porphyry and pink, hematite dusted micro-monzonite. The breccias, high level intrusions and geochemical signature are features that are typical of the upper parts or tops of many well documented porphyry systems around the globe.

The drilling is expected to take several weeks to complete and it is anticipated that the exercise will provide valuable information on any discernible mineralogical and geochemical variation with depth that may be used to determine chemical and physical gradients within the ancient hydrothermal system and to provide vectors to ore mineral concentrations.

CAPITAL MINING LIMITED

ABN 69 104 551 171



EL 6591 is located 41km northeast of West Wyalong and is in relatively close proximity to Barrack's Cowl gold mine where production from a resource of 51mt @ 1.7 g/t containing 139 tonnes of gold has been underway for some time.

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Drill rig set up on hole PMD01 – Porters Mount Prospect – June 2008 ©

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.