

CAPITAL MINING LIMITED

ABN 69 104 551 171



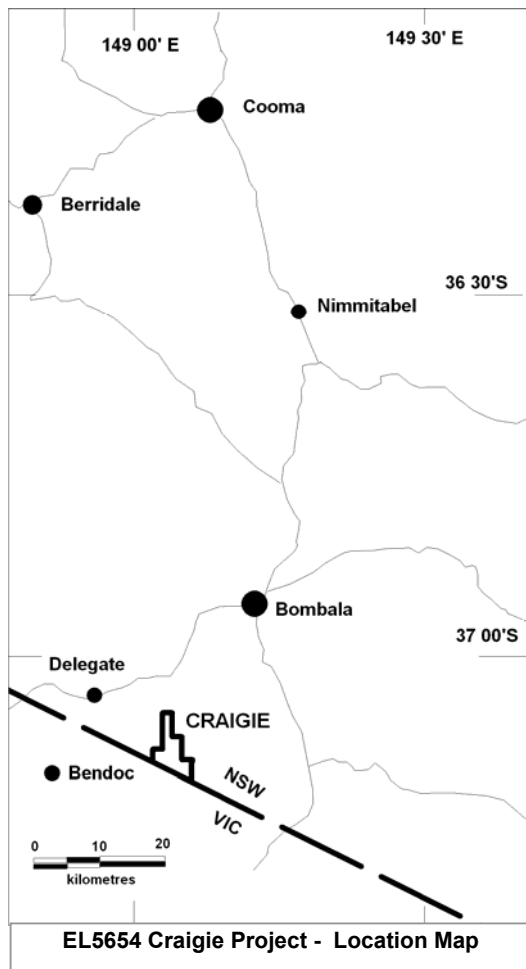
23 June 2008

Company Announcements Office
ASX Limited

Promising Alluvial Gold Grades Confirmed by Bulk Sampling, Craigie, NSW

Processing of three large gravel samples from the Shiralee alluvial gold prospect, one of several such prospects within Exploration Licence 5654 (Craigie Project), has been successfully completed and the directors are pleased to announce that encouraging gold grades of up to 1615 milligrams per bank cubic metre have been recorded (see Table below).

Capital (**ASX code: CMY**) is evaluating a number of alluvial gold deposits in an historic goldfield at Craigie with a view to establishing reserves for low-cost mining operations. The highest result obtained in this latest round of sampling is up to four times the assumed economic cut off grade for this type of deposit (i.e. 350-450 milligrams/bcm).



Sample excavation in process - Shiralee T2 Deposit ©



Craigie gold comes to light after a century -
Alluvial gold grains recovered from bulk sample 08CRT2
Shiralee Terrace 2 Deposit ©

Shiralee Terrace 2 Prospect – T2 Bulk Sample

The 1615 milligrams/bcm grade result came from a 19.5 bank cubic metre sample of gravel extracted from pit 08CRT2 at the southern end of the Shiralee T2 terrace deposit where an inferred resource of 30,500 bank cubic metres at an estimated gold grade of 650 milligrams/bcm is under investigation (see Capital Prospectus, November 2006 and illustrations below).

The 08CRT2 sample included the entire basal gravel layer and up to 30cm of the underlying weathered bedrock and was excavated from a depth of from 1.8 to 2.7m over the 5 by 5m area of the pit. Tests indicated that the clay-rich overburden, which was stripped prior to excavation of the gravel sample, carries very fine gold in only trace amounts and that the bulk of the gold was in the ancient basal gravel bed and in fissures in the bedrock.

The 08CRT2 result is in good agreement with a value of 1727 milligrams/bcm obtained from a smaller, 1.8 bcm sample excavated from a pit at the same location in February 2003.

Shiralee Terrace 2 Prospect – T1 Bulk Samples

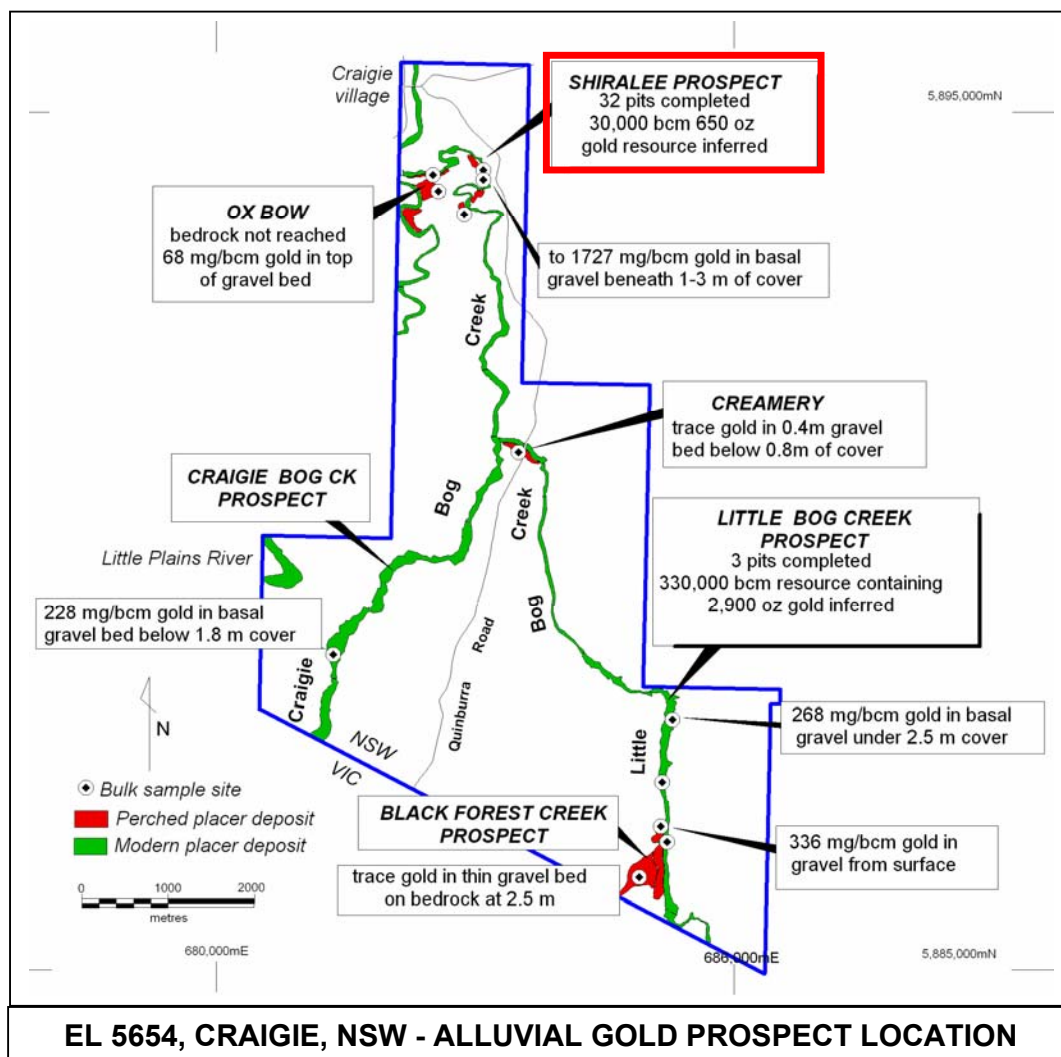
Two parcels of material from the 08CRT1 trench, which was dug for a length of 75m to depths of 3.5-6m across the centre of the Terrace 2 deposit, were also processed during the programme. These included feed used for commissioning the alluvial processing plant from the western end of the trench and a second parcel from the eastern end of the trench. Both parcels were assumed to have been diluted by up to 20-25% by barren clay since the excavation process did not allow for clean, separate removal of the overburden.

The first parcel designated 08CRT1-1 was of 62 bank cubic metres and came in at a grade of 330 milligrams/bcm (as reported on 28 April 2008). The second parcel 08CRT1-2 of 47.4 bank cubic metres came in at a higher grade of 686 milligrams/bcm. Both grades are considered to be conservative given the degree of dilution and some possible losses of gold during the treatment plant commissioning process. In an actual mining situation it is predicted that higher grades could be achieved by sampling of the advancing faces to determine the actual distribution of the majority of the gold within the wash leading to minimal dilution.

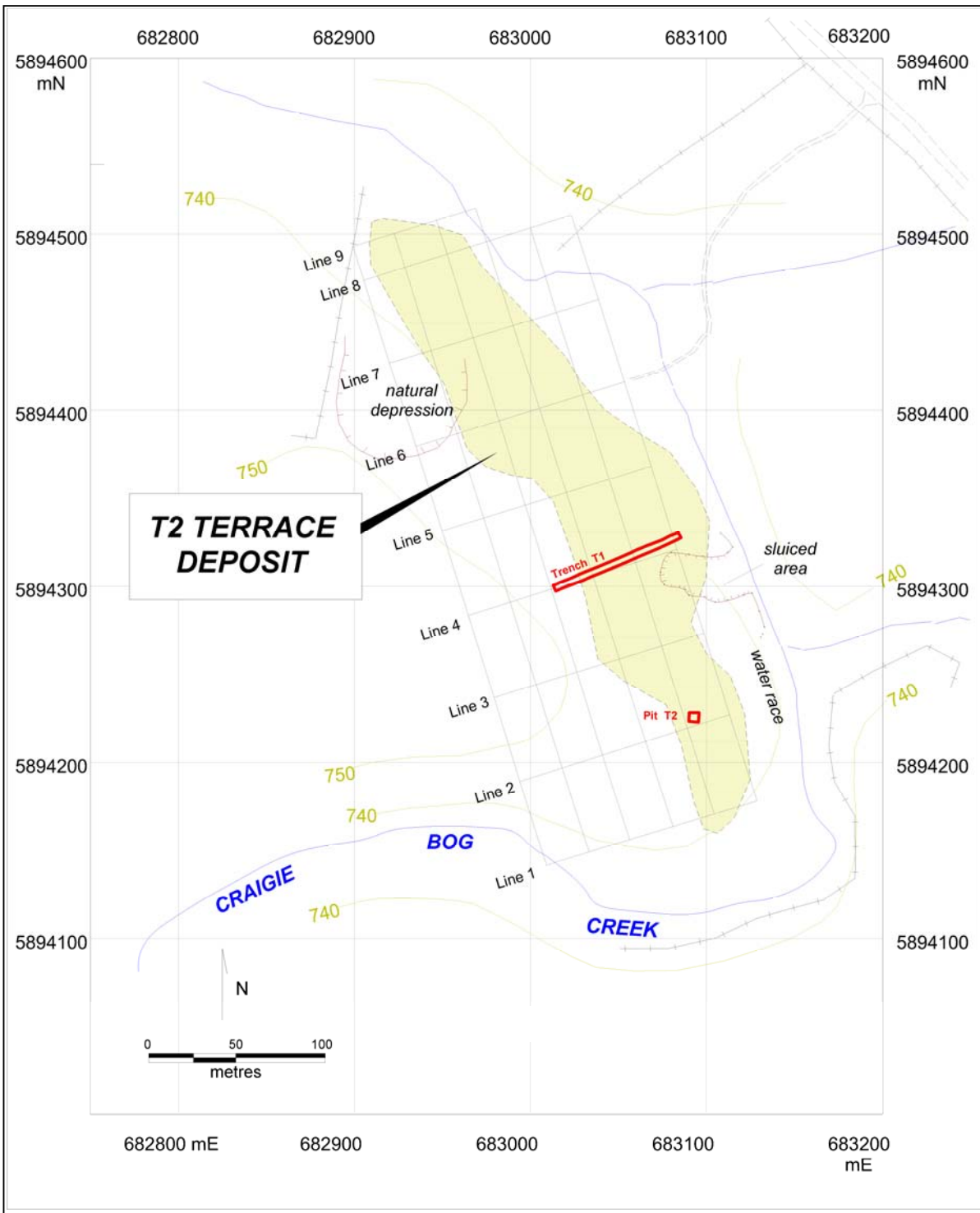
CRAIGIE EL5654 SHIRALEE TERRACE 2 DEPOSIT					
BULK SAMPLE RESULTS (APRIL to JUNE 2008)					
Bulk Sample ID	Volume bcm	Gold Grade mg/bcm	Wash Thickness m	Overburden Depth m	Comments
08CRT1-1	62.0	330	1.1	4.7	Commissioning batch; estimated 20-25% dilution; west end 75m trench; possible losses during processing
08CRT1-2	47.4	686	0.8	3.0	Est. 20-25% dilution; east end 75m trench;
08CRT2	19.5	1615	0.8	1.9	In proximity to previous 1727 mg/bcm sample; optimum extraction and processing achieved; 5 x 5m pit

Sampling and Processing Method

Samples were processed on site with the company’s bulk treatment plant based around two in-line spinners at a rate of around 10 tonnes per hour. The volume of each parcel treated was determined by EDM survey of the excavations and formed up stockpiles at the beginning and end of each treatment run. Most of the native gold recovered was in the form of fine 0.5 to 2mm flakes. Particles recovered in the spinners and nugget traps varied in size from tiny specks up to grains measuring 6x2mm and weighing up to 160mg. Native gold bearing spinner concentrates were upgraded by treatment on a Micron Wave Table. Both the Micron Wave Table and nugget trap concentrates were panned to purity to remove other heavy minerals which included iron oxides, ilmenite, zircon and some small sapphires. Gold separates were dried and weighed to determine recovered grades. Analysis of tailings and heavy mineral concentrate residues for potentially valuable by products such as zircon, tin and tungsten is in progress. Gold concentrates have been retained for morphological study and assaying. Previous microscopic studies have indicated that the gold is likely to be of high fineness.



EL 5654, CRAIGIE, NSW - ALLUVIAL GOLD PROSPECT LOCATION



EL 5654, CRAIGIE, NSW
SHIRALEE TERRACE 2 PROSPECT – BULK SAMPLE LOCATIONS 2008

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Processing Plant - Scrubber unit- Shiralee T2 prospect ©



Processing Plant - Spinner unit - Shiralee T2 prospect ©

Ongoing Programme

Grades obtained from the larger scale sampling are consistent with those obtained from earlier test work and have confirmed the potential of the Shiralee Terrace 2 deposit to support a trial mining operation. Extensive further testing of the deposit is not considered necessary at this stage and it is proposed to treat only two more 20bcm parcels of material from the northern end of the deposit when operations resume after the winter shutdown.

The sampling and processing methods developed by the company at Craigie have proven to be very effective and the focus of ongoing work will shift to testing of the volumetrically much larger North Little Bog Creek prospect in the coming summer months.

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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.