



2 September, 2008
Company Announcements Office
Australian Securities Exchange Limited

Dear Sir / Madam,

INTEGRITY STRENGTHENED FOR CHAKOLA OPEN PIT RESOURCE

Referring to Capital Mining's ASX announcement released earlier today we are very pleased to announce that the integrity of the stated primary sulphide resource within the conceptual open pit has now been considerably strengthened and that a **very significant gold and base metals resource has now been defined within this conceptual open pit at Chakola**. The integrity and statistical confidence of this resource has now been strengthened due to three important factors:-

- **99% of this mineral resource is now in the highest JORC categories of measured and indicated.**
- **Metal spot prices used to calculate this mineral resource take into account the commodity value correction over the past year.**
- **A more conservative cut off grade value of 1.5g/t gold equivalent is now used in the calculation of this resource.**

This primary resource reported will be incorporated into Capital Mining's Environmental Impact Statement / Development Application (D.A.) for the development of the Chakola Open Cut Project. Subject to completion of this work and reports by third parties, we expect to lodge the D.A. during the fourth quarter of this year.

Using yesterday's closing share price of 10c the total enterprise value presently assigned by the market to Capital Mining was only ~\$2.5 million. This includes all of Capital's tenements, drilling, assessments, upgrades and work to date including our flagship Chakola Project. I believe this figure under values the enterprise value of Capital Mining. It should also be noted that upon the approval of the Chakola D.A. and therefore the reduction of the risk profile for this project, even further value is expected to be added to Capital's portfolio.

Yours Sincerely

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Managing Director and CEO
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