



ASX : CMY

March 10, 2009
Company Announcements Office
Australian Securities Exchange Limited

Dear Sir / Madam,

***DEVELOPMENT APPLICATION LODGED for
CHAKOLA GOLD and BASE METALS PROJECT.***

The Directors of Capital Mining are pleased to announce that the Development Application (DA) for the proposed development of the Chakola Gold and base metals Project has been lodged with the Cooma-Monaro Shire Council.

This is a very important milestone for Capital Mining and upon approval will add considerable value to Capital's portfolio. We expect approval within approximately 6 -8 months. As announced previously, as part of the DA, a comprehensive Environmental Impact Statement was completed and an economic feasibility study is now underway.

The DA is in support of Mining Lease Application 269. It is proposed to develop a small open cut operation at Chakola with a flotation processing plant and associated infrastructure. The planned throughput of ore is expected to be approximately ***200,000 tonnes per annum.***

As announced to the ***ASX on 2 September 2008*** the primary sulphide resource within the conceptual open pit has been considerably strengthened and a very significant gold and base metal resource has now been defined..... ***99% of this mineral resource is now in the highest JORC categories of measured and indicated.***

We look forward to working with Council and all stakeholders to bring this Development Application to a successful and timely conclusion.

Yours Sincerely

Robert J McCauley
Managing Director and CEO

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