

14 April 2009

Company Announcements Office
ASX Limited

**DEVELOPMENT APPLICATION LODGED FOR ALLUVIAL GOLD MINE OPERATION
CRAIGIE, NSW**

The directors of Capital Mining Limited are pleased to announce that a Development Application (DA) has been lodged with the Bombala Shire Council which outlines the Company's proposal to establish a mining operation at the Shiralee Alluvial Gold deposit within Exploration Licence 5654 in south eastern New South Wales (Craigie Project).

The DA follows the successful completion of a bulk sampling programme at the Shiralee T2 deposit in the northern part of the licence which confirmed its potential to support a trial mining operation (see ASX announcement 23 June 2008).

The DA includes a detailed Environmental Impact Statement and sets out the Company's proposal to extract native gold metal from the 250m long Shiralee T2 deposit to a depth of 5 to 6m below the surface at rate of approximately 10,000 bank cubic metres per annum.

The mining is seen as a straightforward exercise that would be of benefit to the local community and the plans include restoration of the site to its prevailing land use of grazing, at the end of what is envisaged to be an operation of a relatively short, two year duration.

Lodgement of the DA represents a significant step towards realisation of the gold resource potential at Craigie and reaffirms Capital's gold commodity focus in the southeast region.

We look forward to working with the Council and all stakeholders during the DA assessment process and to its having a beneficial outcome.

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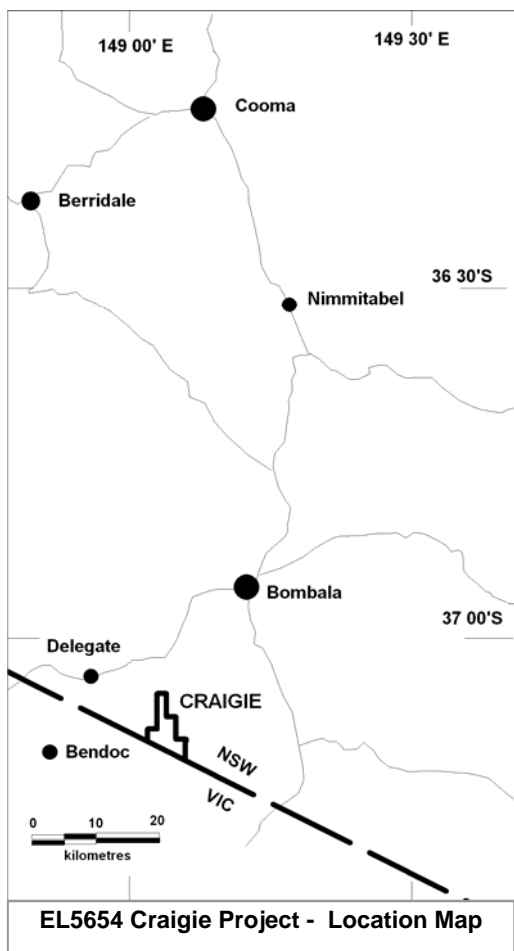
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The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based on information compiled by Richard Hine who is a Member of the Australasian Institute of Mining and Metallurgy. Richard 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.

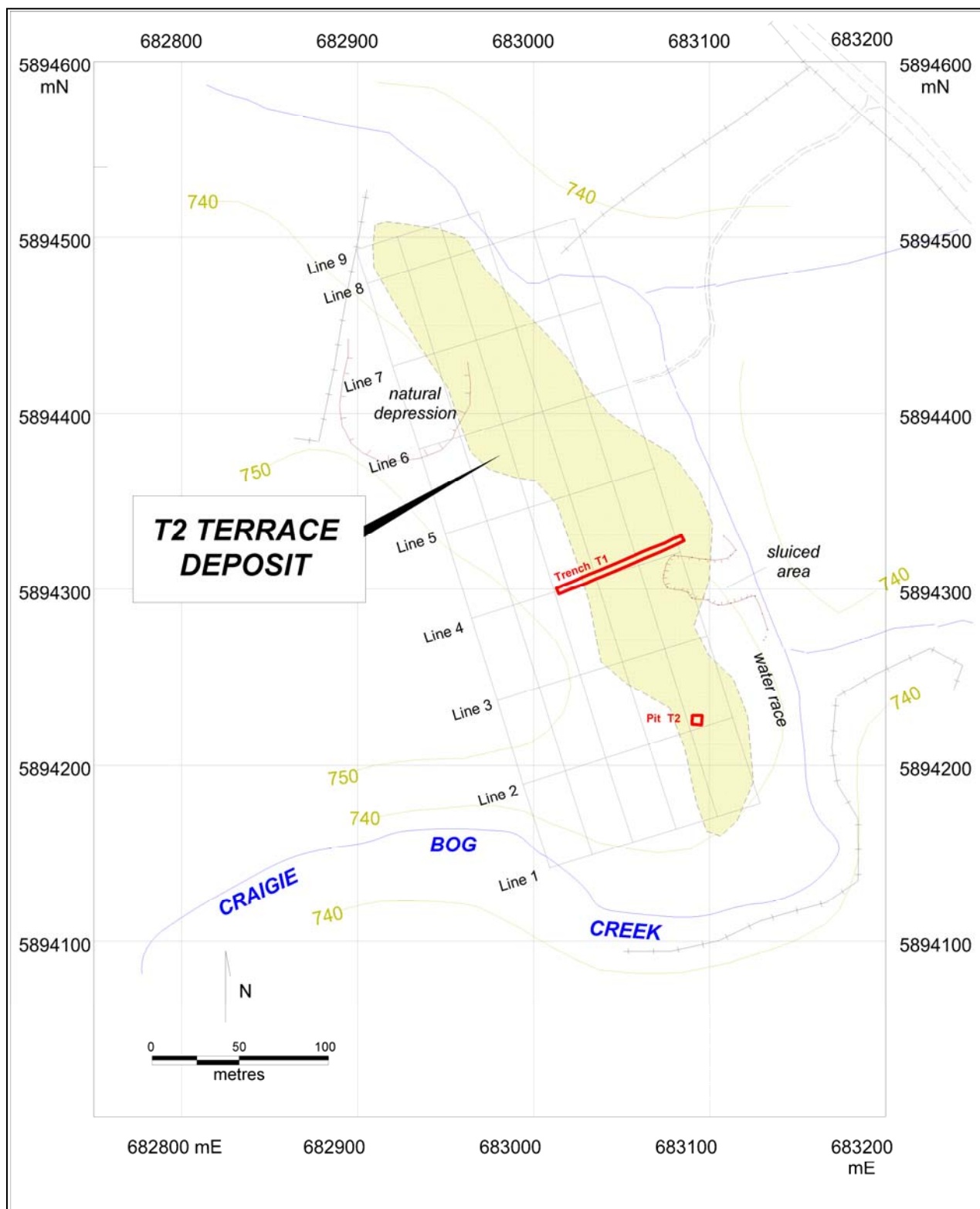


Alluvial gold grains recovered by bulk sampling
Shiralee Terrace 2 Deposit 2008 ©



SHIRALEE ALLUVIAL GOLD PROSPECT – T2 DEPOSIT

View looking southwest across Craigie Bog Creek to the line of Trench T1 through centre of the deposit and to old alluvial workings on the bank of Craigie Bog Creek at left. February 2008 ©.



EL 5654, CRAIGIE, NSW
SHIRALEE TERRACE 2 DEPOSIT
MAP SHOWING MOST RECENT BULK SAMPLE LOCATIONS 2008