



CAPITAL MINING LIMITED

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19 June 2009

Dear Shareholder

NON-RENOUCEABLE RIGHTS ISSUE

Capital Mining Limited (ASX Code: CMY) is pleased to announce the terms of a non-renounceable Rights Issue to Shareholders of up to approximately 25,568,300 New Shares and approximately 12,784,150 attaching New Options issued on the basis of three new Shares for every five Shares held by Shareholders at an Issue price of 4 cents per Share. The Prospectus has been lodged with the Australian Securities and Investments Commission (ASIC) and ASX on 17 June 2009.

All Capital shareholders on the register at 5pm EST on 26 June 2009 will be entitled to participate in the offer on the basis of **three New Shares for every five Shares held at an Issue price of 4 cents per Share**. Shareholders will also receive one attaching New Option for every two New Shares subscribed for. The New Options will have an exercise price of 8 cents and expire on 1 July 2011.

The issued Shares will rank equally in all respects with existing quoted ordinary Shares.

The Company currently has:

- (i) 42,613,834 Fully paid ordinary Shares on issue
- (ii) 14,306,231 Options exercisable at \$0.20 expiring 18 October 2010
- (iii) 250,000 Directors Options exercisable at \$0.191 expiring 22 March 2012
- (iv) 250,000 Directors Options exercisable at \$0.241 expiring 22 March 2012

The Shares issue gives the Company a source of future funding to continue to expand its development programmes and add value to the Company. Funds raised from this offer will be used to progress the proposed small open pit gold and base metals development at Chakola and also to accelerate activities on a number of fronts, particularly its gold exploration and to replenish capital and the balance for working capital of the Company.

Shareholders will receive their copy of the Prospectus soon and application can only be made on the personalised entitlement and acceptance form accompanying the Prospectus.

A copy of the Prospectus is also available for review on the ASX website www.asx.com.au or on the Company's website www.capitalmining.com.au

Following is an indicative timetable for the issue:

Announcement of non-renounceable Rights Issue and lodge Appendix 3B with ASX	17 June 2009
Prospectus lodged with ASIC and ASX	17 June 2009
Notice sent to Shareholders containing information required by Appendix 3B	19 June 2009
Capital Mining Shares commence trading ex-Rights	22 June 2009
Record Date for determining Rights	26 June 2009
Despatch Prospectus and announcement of completion of despatch	30 June 2009
Closing Date of Rights Issue and Top Up Offer	14 July 2009
Securities quoted on a deferred settlement basis	15 July 2009
Notify ASX of under subscriptions	17 July 2009
Allotment of New Shares and New Options	20 July 2009
Holding statements despatched	22 July 2009
Trading of New Shares and New Options expected to commence on ASX	23 July 2009


This timetable is indicative only. The Company reserves the right to vary the above dates subject to the Corporations Act and ASX Listing Rules.

An application has been made for the Shares to be listed on the ASX.

Please note this offer closes at 5pm EST on 14 July 2009. For further information, please contact the Company.

Your Board invites you to further participate in the future of the Company by subscribing for Shares under this offer.

CAPITAL MINING LIMITED



Richard Hine
Executive Chairman