# ASX ANNOUNCEMENT
**(ASX code: CMY)**

21 April 2011

# COMMISSIONERS GOLD JV, COWARRA PROJECT, NSW

## EXPLORATION PROGRESS REPORT

The directors of Capital Mining Limited (ASX code: CMY) are pleased to advise that encouraging signs have been recorded from a program of rock chip sampling and prospecting carried out in the current zone of interest at its **Cowarra Gold Project** area in southeast NSW.

The **Cowarra Project** is subject to a farm-in agreement with gold explorer **Commissioners Gold Limited** (ACN 115 845 952) in which Capital Mining is the project manager and Commissioners Gold Limited has the right to earn a 50% interest in the project for expenditure of $0.5 million in Stage 1.

Commissioners Gold Limited (**CGL**) has recently launched an IPO and is inviting subscriptions for 22.5 million ordinary shares at $0.20 per share to raise $4.5 million with a minimum subscription of $2.5 million under its Prospectus (for more details, readers are invited to go to the CGL website at www.commissionersgold.com.au).

**Rock Chip Sampling and Prospecting**

The recently completed rock chip sampling and prospecting work was concentrated over significant strike extents on the **Never Never** line of lode (700 metres), the **Ironclad** line of lode (900 metres) and the **John Murray's** line of lode (950 metres). The Ironclad and John Murray's lodes are on the line of strike of the Victoria lode which was the largest gold producer in the Cowarra Gold Field up to 1988.

Records show that there has been little or no systematic drill testing within the area that was the subject of the current investigation despite the presence of numerous workings and encouraging signs of mineralisation.

105 rock chip samples, which include gossanous and sulphide-bearing mineralised material and hydrothermally altered variably mineralised sedimentary host rock material similar to that seen at former producing mines elsewhere within the Cowarra Gold Field were collected. The samples are to be dispatched for analysis and results are awaited.

The current work in the northern part of the Cowarra exploration tenement follows on from similar detailed mapping and sampling work which was completed in 2010 and which led to the generation of drill targets at the newly defined Firestone Ridge prospect in the southern part of the Exploration Licence.

**Stage 2 Planned Diamond Drilling**

Preparations have also been made to carry out a second stage diamond drilling at Cowarra and interpretation of the results of the diamond drilling carried out at the Victoria, Princess and Ambassador lodes as announced on 14 July 2010 has been completed. As a result, the sites have been selected for four diamond drill holes, which have been designed to test for extensions of the Victoria and Ambassador lodes at depth, as well as an intervening target zone, the "Independent lode", which was intersected in a hole drilled in the late eighties and has not since been followed up. Sites have been pegged out a Review of Environmental Factors Statement has been prepared and the company is awaiting official notification of approval to commence the program.

For more information on the Cowarra prospect and the results of current work programs please visit Capital's website **www.capitalmining.com.au** or contact the Capital management team.

Dr Rick Hine
Chairman
Capital Mining Limited
P.O. Box 3770, Weston Creek, ACT. 2611 Australia
Web: www.capitalmining.com.au
Phone: 02 6288 2661

*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.*