

# CAPITAL MINING LIMITED

ABN 69 104 551 171



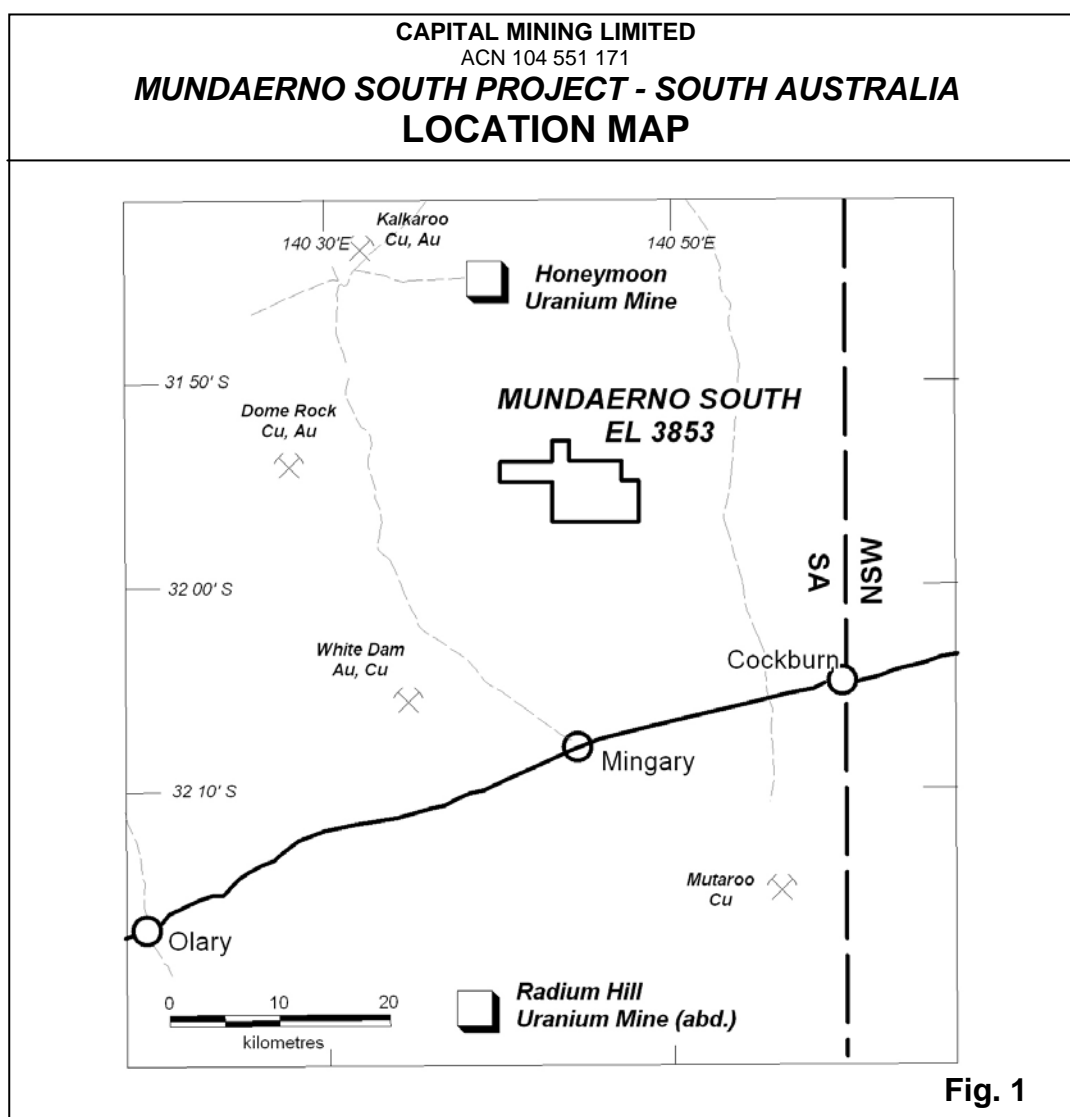
26 July 2007

Company Announcements Office  
ASX Limited

## **South Australian Uranium Exploration Play Added to Portfolio - EL 3853**

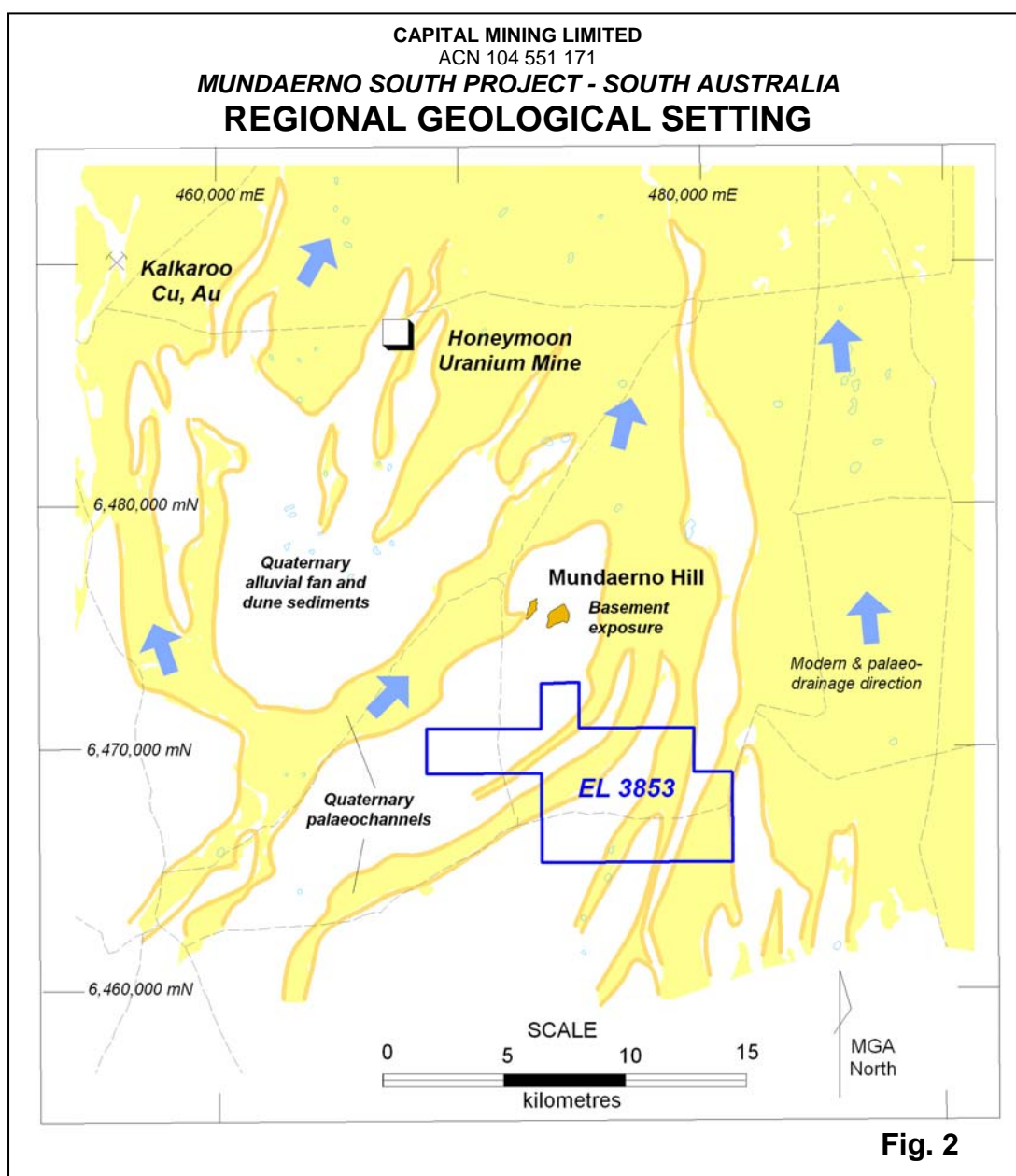
Capital Mining Limited advises that it has received notice from the Department of Primary Industries and Resources South Australia of the grant of Exploration Licence No. 3853 in the Curnamona Province of South Australia's northeast.

The new licence is located approximately 385km NE of Adelaide and 65km NE of Olary and lies strategically within a proven uranium-bearing metallogenic province being 20km SSE of the Honeymoon uranium mine and 50km north of the former uranium mine at Radium Hill (Fig. 1).



The new licence encompasses units of the Southern Curnamona Craton geological province and includes deformed and metamorphosed granitic and pegmatitic basement units of Mesoproterozoic age that are covered by late-Tertiary to Quaternary alluvial sediments (see Figure 2).

The geological setting is considered to provide very good prospects for the location of calcrete hosted uranium deposits in Quaternary valley-fill sediments and sandstone hosted, roll-front type uranium deposits in Tertiary palaeochannels (i.e. analogous to the Honeymoon and East Kalkaroo deposits and other prospects nearby<sup>1</sup>).



<sup>1</sup> Honeymoon Uranium Project, Environmental Impact Statement, Southern Cross Resources Australia Pty Ltd, 2006. Document published at: [www.epa.sa.gov.au/honeymoon.html](http://www.epa.sa.gov.au/honeymoon.html)

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The area is also prospective for iron oxide bearing breccia and diatreme copper-gold-uranium-REE deposits (IOCGU style) and shear-hosted style gold-copper deposits on linear features within the basement.

Although the area has been subject to exploration in the past, this has not involved a significant amount of drilling (2 holes recorded) and there is believed to be considerable scope for further investigation of the area.

The acquisition of EL 3853 gives Capital Mining the opportunity to participate in the search for uranium in one of the countries top hotspots. Historical exploration results are being assessed and a work program to thoroughly explore the area is being drawn up. Regional datasets have been acquired and newly released remote sensing images are to be used to generate drill targets.

Yours faithfully

Richard Hine  
Chairman

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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.*