

CAPITAL MINING LIMITED

ABN 69 104 551 171



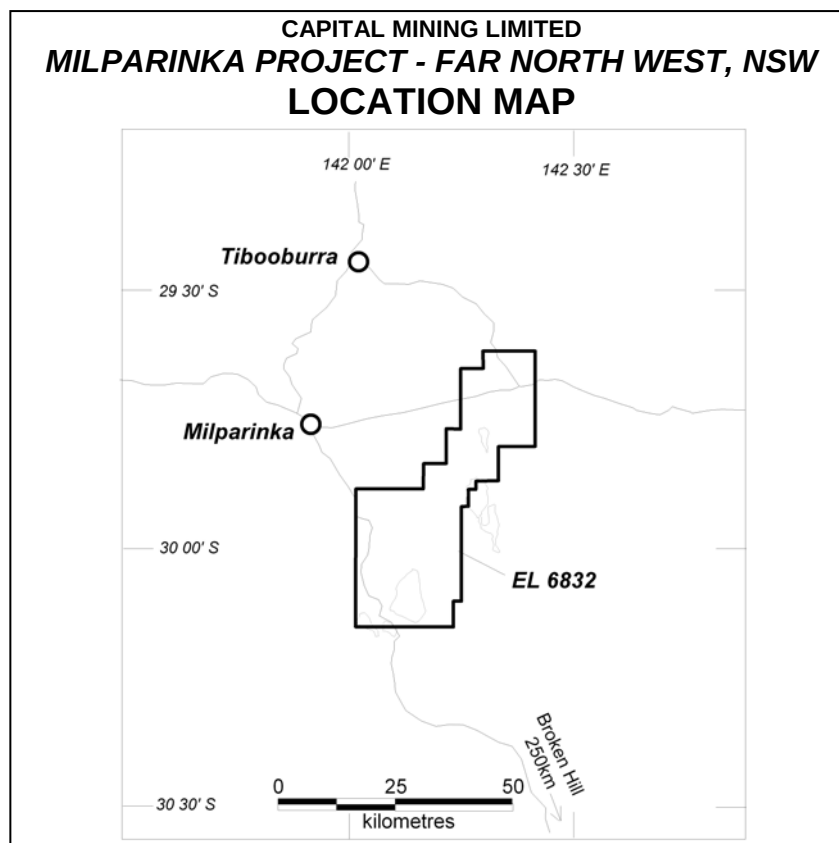
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Company Announcements Office
ASX Limited

Unexplored Platinum-Nickel Play Added to Portfolio - EL 6832, Milparinka, NSW

A large-scale platinum-nickel exploration play has been added to Capital Mining Limited's tenement portfolio with the grant of Exploration Licence No. 6832 near Milparinka, some 250 kilometres north of Broken Hill, in the Far North West region of New South Wales.

Located closer to Adelaide than Sydney, the magmatic PGE¹-nickel-copper play, which is based on modelling of regional geophysical data, has considerable blue sky potential. The main target zone, an interpreted buried mass of ultramafic to mafic rocks, has a total strike length of 70 kilometres and there is potential for mineral deposits to be located both in the basement and in the overlying sedimentary cover sequence.



Acquisition of the ground represents a radical shift in exploration philosophy for Capital Mining, which prior to listing in March 2007 did not have the resources to take on a project of such magnitude. Currently exploration by the Company is mainly for near surface deposits in relatively small, easily accessible blocks of ground close to its home base.

By coincidence, EL 6832 lies within the recently announced *New Frontiers Thompson Orogen Project Area*² of the NSW Department of Primary Industries where work has already commenced on a two year program of investigation to acquire regional geophysical and remote sensing data sets that are aimed at lowering exploration risk. This will be of considerable advantage to the Company during its assessment of the tenement.

¹ Platinum Group Elements

² The New Frontiers Initiative, MINFO, April 2007, NSW Dept. of Primary Industries, Maitland, p4.

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The new licence encompasses a total area of 1,105 square kilometres and covers a complex of coincident gravity and magnetic anomalies that lie beneath sedimentary cover at the south-western end of the Bulloo Accommodation Zone. The latter is a long-lived depositional feature that leads from the Curnamona Craton in South Australia into the Eromanga Basin in southern Queensland.

According to interpretations documented in NSW Geological Survey Open File reports dating from 2003, the gravity and magnetic anomalies coincide with a series of mafic and ultramafic masses, the largest of which has been modelled as a funnel shaped intrusion with a density similar to that of material in the upper mantle. The interpreted intrusions appear to have been emplaced into a dilational flexure in the basement and also along the Bulloo Overflow Transfer Zone, a major NE trending shear zone. This structural setting is consequently a very favourable one for the deposition of precious and base metals in a range of different mineral deposit types.

The modelled funnel shaped intrusion is 20km across and has a cross sectional area of 330km². From this a 50 km long sill or dyke of similar material appears to emanate in a north easterly direction. Such very voluminous magmatic bodies have the potential to host very large nickel-PGE sulphide deposits in breccias (e.g. Aguablanca, Spain) and in layered, magmatic PGE-nickel-copper deposits (e.g. Noril'sk, Russia; Jinchuan, China).

The modelled intrusions in EL 6832 have never been drilled and the nearest recorded exploration hole is 40km to the north of the licence. This hole intersected what was interpreted to be an alkaline, mafic to ultramafic volcanic diatreme (i.e. a pipe or funnel shaped intrusive breccia) at a depth of 414m. Stratabound gold-pyrite mineralisation was also recorded in sediments from the overlying Jurassic cover sequence and the drilling, to a large extent, confirmed the validity of the conceptual model.

The addition of EL 6832 to its portfolio is enthusiastically welcomed by the Board and gives Capital Mining the opportunity to participate in the search for world-class PGE-nickel deposits in one of Australia's totally unexplored "New Frontiers". Evaluation of regional geophysical data and remote sensing imagery has commenced and a drill program aimed at testing this very promising target zone will be implemented as soon as practicable.

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.