

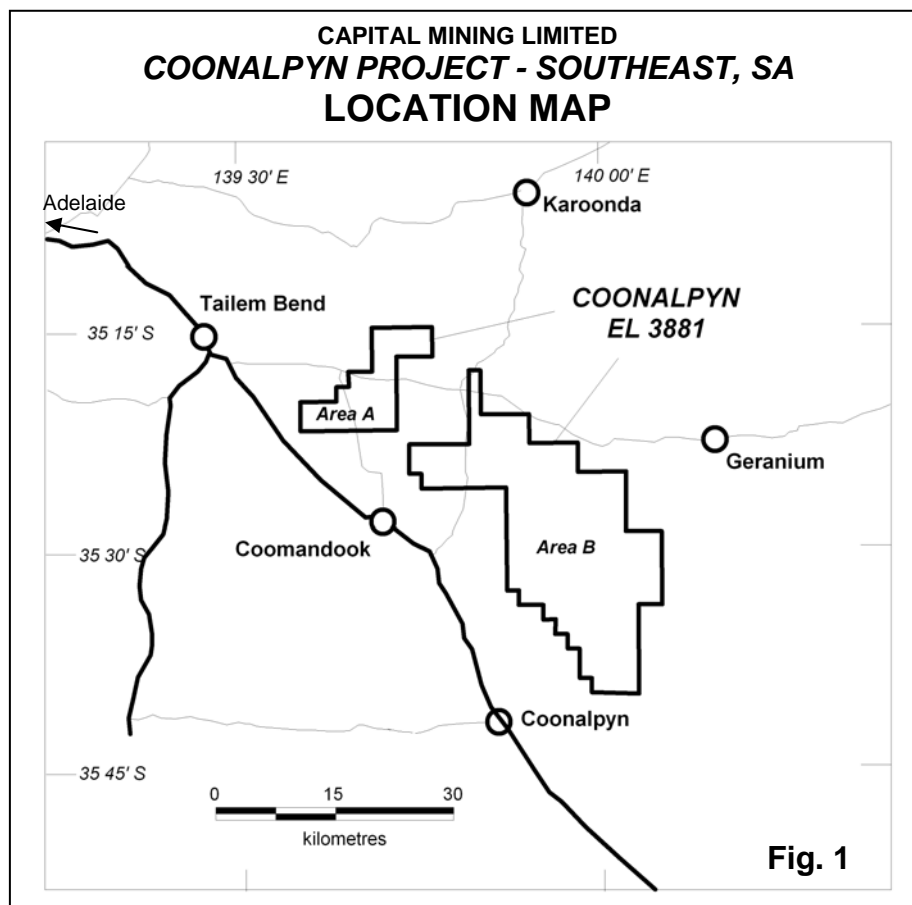
13 August 2007
Company Announcements Office
ASX Limited

Second Uranium-Gold-Base Metals Play Added to Portfolio - South Australia EL 3881

Capital Mining Limited is pleased to advise that it has received notice from the Department of Primary Industries and Resources South Australia of the grant of Exploration Licence No. 3881 in South Australia's southeast.

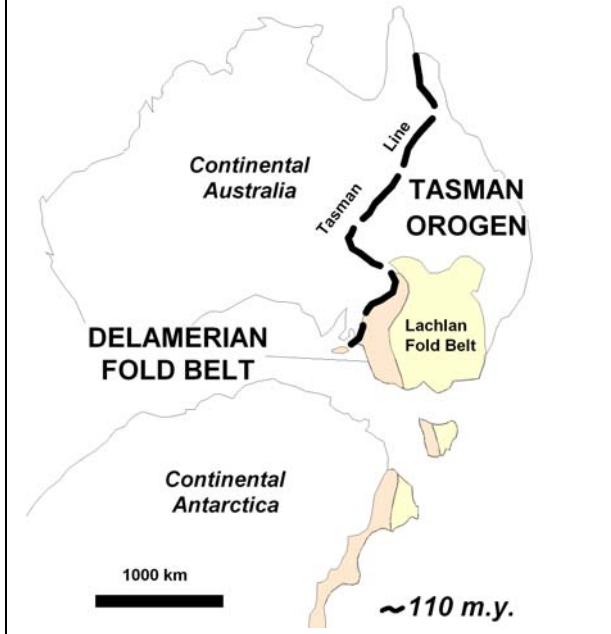
The new licence is 120km SE of Adelaide and covers terrain that is considered to be very prospective for deposits of uranium, gold, copper and zinc in units of the Southern Delamerian Fold Belt and Murray Basin Geological Provinces. Conceptual targets include:

- uranium-base metal skarn and limestone replacement type deposits;
- zinc, copper and gold in volcanic hosted deposits in the basement sequence; and
- uranium deposits in Quaternary calcrete valley-fill and in Tertiary palaeochannels in the Murray Basin cover sequence.



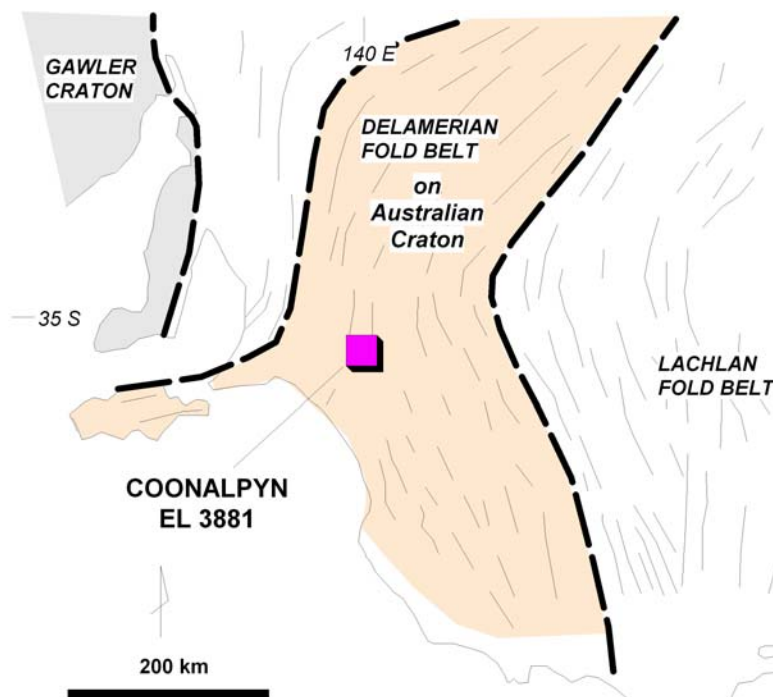
Zinc deposits, associated with what are interpreted to be retrograde skarns within mafic volcanic and limestone units of Cambrian age, have been the subject of historic exploration in the region. The host units extend into EL 3881 and offer potential for location of more deposits along strike.

Fig. 2 CAPITAL MINING LIMITED
COONALPYN PROJECT - SOUTHEAST, SA
EL 3881 - ANCIENT TECTONIC SETTING



The regional geological setting of EL 3881 is believed to have been favourable for the development of mineralisation, in that prior to the break up of the supercontinent of Gondwana, as illustrated in Figure 2, the basement sequence was accumulated on the margins of the Antarctic and Australian Cratons and subsequently deformed and thrust over continental substrate similar to that of the Gawler Craton around 510 to 490 million years ago (Fig. 3). As a result, there is potential for deposits to have been formed in reactive host rocks such as limestone, in the Cambrian sequence adjacent to deep seated faults or shear zones, which potentially carried hyper-saline fluids derived from the underlying continental basement. In such an environment, there is also potential for uranium to have been remobilized from the basement and accumulated in palaeochannels and roll front type deposits in the younger cover sequence.

CAPITAL MINING LIMITED
COONALPYN PROJECT - SOUTHEAST, SA
REGIONAL GEOLOGICAL SETTING



Geology after Miller et al 2005, Aust. J. Earth Sciences, 52, 921-940

Fig. 3

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The addition of EL 3881 to its portfolio completes a round of new acquisitions for Capital Mining and gives the Company the opportunity to evaluate a new concepts in a relatively under explored part of South Australia.

Assessment of regional geophysical data and remote sensing imagery has begun, previous exploration results are being reviewed and work programs including drilling to test this very promising target zone will be drawn up and 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.