

Capital Mining Limited (Company) is pleased to present details of the Company's activities during the March Quarter, 2014.

1. Corporate

As announced during the quarter, the Company is continuing to work with Indochine Mining Limited (Indochine) on a revised Heads of Agreement, including working with Cambodian authorities on associated agreements to meet local regulatory requirements.

The completion of the acquisition will be subject to the Company obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law, including but not limited to, approval pursuant to Item 7 of Section 611 of the Corporations Act and ASX Listing Rules 10.1 and 11.1.2.

The Company will issue a notice of General Meeting in due course which will contain detailed information regarding the terms of the acquisition and its effect on the Company and will seek the relevant approvals to undertake the acquisition.

2. Projects

2.1 Overview of Activities

During the reporting period, no exploration activities were recorded on any of the Company's projects. The following sections thus only summarise pertinent technical aspects of the Company's exploration portfolio. Proposed exploration programs and budgets for each project are currently subject to review with the Company assessing its options regarding all projects within its portfolio including consideration of further joint venture partnerships, sales and divestment of some of its current assets.

2.2 Ratanakiri Project – Cambodia

Subject to the completion of the Heads of Agreement and the subsequent capital raising, the Company intends to carry out a comprehensive exploration program on the Ratanakiri Project. This will entail following up on all of the Indochine targets with the view to undertaking a major drilling program during the course of 2014-15.

2.3 Australian Projects

The location of the Company's Australia projects are illustrated in Figure 1 and their current status is outlined in the following sections.

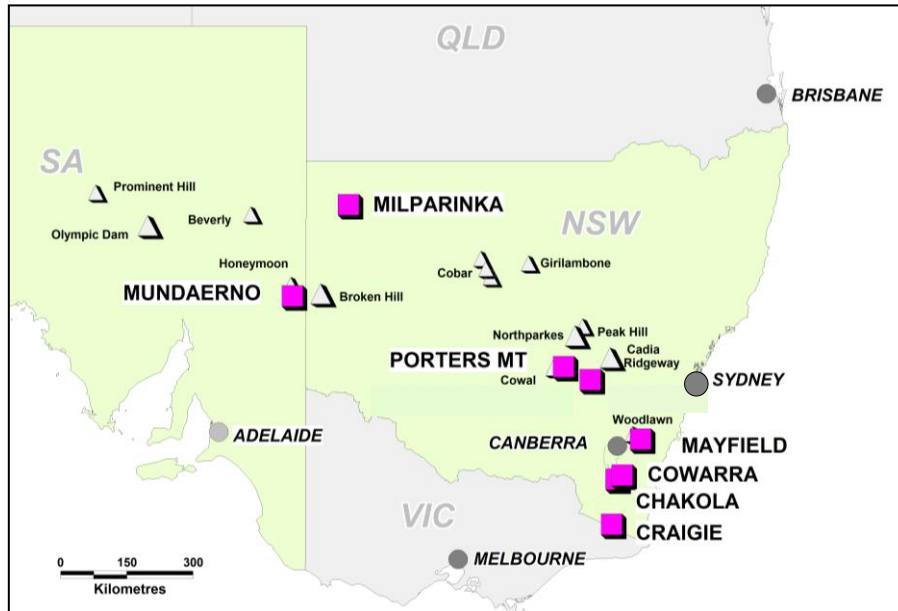


Figure 1: Location of Australian projects

MAYFIELD

Gold, Base Metals (NSW) - EL 6358 (CMY 51%; Rutila Resources 46.5%; Roberts Consulting 2.5%)

Exploration Licence (EL) 6358 covers a significant gold-copper skarn deposit at the Mayfield Prospect where very encouraging historic exploration drilling results has been reported. The tenement is located in an exploration hotspot close to the world-class Majors Creek gold field near Braidwood. The main focus of the work programme is to delineate a gold resource at the Mayfield gold-copper prospect and to explore the surrounding terrain for similar occurrences. The resource now stands at:

- **Gold-copper dominant mineralization: 4.0 million tonnes at a grade of 0.4% copper, 0.7 g/t gold, 8.8 g/t silver, 0.2% zinc and 25.4% iron; and**
- **Zinc dominant mineralization: 0.9 million tonnes at a grade of 2.36% zinc, 5.9 g/t silver and 0.1% copper.**

It should be noted that the above resource estimate was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

It is proposed that a drilling program be implemented as soon as practicable.

COWARRA

Gold (NSW) – EL 5939 (CMY 50%; Commissioners Gold 50%)

Exploration is for gold in high-grade sulphidic veins and shoots within shear zones in strongly deformed metasedimentary rocks generally focused around the historic Cowarra gold mine. Commissioners Gold is the manager and can earn an additional 35% in the project by further exploration expenditure of \$350,000. Commissioners Gold Limited is currently considering a number of options for further exploration and development.

CHAKOLA

Gold and Base Metals Project (NSW) - EL 5697 (CMY 100%)

Chakola is prospective for gold, silver, copper and other base metals. The Company is currently seeking a Joint Venture Partner to help fund the development of the project.

PORTERS MOUNT

Gold, Copper, Molybdenum Project (NSW) - EL 6591 (CMY 100%)

The Porters Mount Project is located in a porphyry copper-gold province close to a world-class producing gold mine. The targets are porphyry copper-gold, sub-epithermal gold and skarn style deposits that are predicted to have formed in and around a large diatreme breccia and monzodiorite intrusive complex.

An auger drilling program of approximately 1000 shallow holes has been planned for 2014.

CRAIGIE

Alluvial Gold Project (NSW) - MLA 366 & 367 (CMY 100%)

The company is aiming to establish gold reserves for a small scale, low impact mining operation. The company has previously mined and processed auriferous gravel from two bulk sample excavations at the Shiralee Terrace 2 deposit. Positive results were obtained from these bulk samples. MLA 366 & 367 covers the Shiralee Deposit.

MILPARINKA

Gold, Platinum, Nickel Project (NSW) - EL 6832 (CMY 100%)

The targets at Milparinka are for world-class platinum-nickel and gold-copper deposits that are predicted to be associated with a deeply buried intrusive complex. The terrain is covered with a blanket of thick post-mineral sediments and drilling is the only definitive way to test the mineral potential in the project area. The company is aiming to generate evidence of any signs of intrusion related gold-copper mineralisation and associated hydrothermal alteration by recovering core samples from the basement rocks that overlie the inferred intrusive mass.

MUNDAERNO SOUTH

Uranium Project (SA) - EL 5337 (CMY 51%; AMWD 49%)

EL 5337 is located close to the Honeymoon uranium mine in the highly prospective Curnamona geological province of South Australia. The tenement has potential for calcrete and sandstone hosted uranium deposits and for iron oxide bearing copper-gold-uranium-REE deposits. The company is the manager of the project in joint venture with Australian Mineral and Waterwell Drilling Pty Ltd (AMWD).

The Company is assessing its options regarding all projects within its portfolio including further joint venture partnerships, sales and divestment of some of its current assets.

CAPITAL MINING LIMITED



ABN 69 104 551 171

The Company would like to advise of the following information in line with ASX Listing Rule 5.3.3:

Project Name	Location	Tenement Licence	Interest held at 31 December 2013	Interest acquired/ disposed of	Interest held at 31 March 2014
Chakola	NSW	EL5697	100%	N/A	100%
Cowarra	NSW	EL5939	50%	N/A	50%
Porters Mount	NSW	EL6591	100%	N/A	100%
Milparinka	NSW	EL6832	100%	N/A	100%
Mayfield	NSW	EL6358	51%	N/A	51%
Mundaerno South	SA	EL5337	51%	N/A	51%
Craigie	NSW	MLA366	100%	N/A	100%
Craigie	NSW	MLA367	100%	N/A	100%

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Statements contained in this report relating to exploration results and mineral resources are based on information compiled by Mart Rampe, who is a Member of the Australasian Institute of Mining and Metallurgy and is an independent consultant geologist engaged by Capital Mining. He has sufficient relevant experience in relation to the mineralisation styles being reported on, to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code). Mart Rampe consents to the use of applicable information in this report in the form and context in which it appears. The Company is reporting the historical exploration results under the 2004 edition of the Australian Code for the Reporting of Results, Mineral Resources and Ore reserves (JORC Code 200) on the basis that the information has not materially changed since it was last reported.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Capital Mining Limited

ABN

69 104 551 171

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1) - - (20)	(169) - - (403)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(21)	(572)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Loans from other entities	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(21)	(572)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(21)	(572)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	603
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1	31
1.17	Repayment of borrowings	-	(30)
1.18	Dividends paid	-	-
1.19	Other – costs of share issue	-	(32)
	Net financing cash flows	1	572
	Net increase (decrease) in cash held	(20)	0
1.20	Cash at beginning of quarter/year to date	20	-
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	0	0

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Directors’ fees, consulting fees and reimbursement of expenses paid to entities associated with Directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter a total of 81,666,666 shares were issued to consultants as a placement in lieu of cash payments for services. No cash was received in relation to these shares issued.

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	170

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	-	20
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	-	20

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	693,312,711	693,312,711	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) 81,666,666	(a) 81,666,666	
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	(a) 269,336,524 (b) 3,000,00 (c) 2,000,000 (d) 1,500,000	269,336,524 - - -	<i>Exercise price</i> 2 cents 4 cents 6 cents 8 cents	<i>Expiry date</i> 31 December 2016 1 September 2014 1 September 2014 1 September 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

(~~Director~~/Company Secretary)

Date: 28 April 2014

Print name: Elizabeth Hunt

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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