

ASX ANNOUNCEMENT (ASX code: CMY)

21 March 2012

MAYFIELD RESOURCE APPROACHING 100,000 oz CONTAINED GOLD

HIGHLIGHTS

- Gold-copper dominant mineral resource upgraded by 23% to 94,800 oz contained gold
- Zinc resource estimate lifted from 19,000 to 29,900 contained tonnes
- Increase in copper to 17,250 contained tonnes and silver to 1.3 million contained oz
- 89% of resource is oxide material potentially amenable to low cost mining and milling
- Shallow gold enriched target zone defined over 600m of strike yet to be drilled
- Permits in place for follow up drilling

Further to the Company's release of drilling results from the promising **Mayfield** gold, copper, silver, zinc and iron prospect of 17 February 2012, Capital Mining Limited (**ASX: CMY**) is pleased to release the results of an update of the resource estimate for the Mayfield deposit.

Exploration at Mayfield is being conducted in joint venture with Forge Resources Limited (ACN 139 886 187). Capital is managing the ongoing exploration program and has a 51% equity interest in the project. Forge is contributing *pro rata*.

The updated resource estimate includes data from the recent drilling and the *in situ* resource is made up of separate blocks of gold-copper and zinc dominant mineralisation as tabulated on Page 2.

In summary, for oxide and sulphide mineralisation in the JORC Inferred and Indicated categories, the Mayfield resource now stands at:

Gold-copper dominant mineralisation

- **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 mineralisation

- **0.9 million tonnes at a grade of 2.36% zinc, 5.9 g/t silver and 0.1% copper.**

The estimated contained metal content stands at approximately: 94,800 ounces of gold; 17,250 tonnes of copper; 1.3 million ounces of silver and 30,000 tonnes of zinc. **As such, the current drill results from the December 2011 – January 2012 program have lifted the overall gold grade of the gold-copper dominant mineralisation by 14% and the estimated contained gold content by 23% from 77,000 oz to 94,800 ounces. Gold has also surpassed copper as the most economically significant metal in the deposit.**

MAYFIELD GOLD - BASE METALS PROSPECT INFERRED and INDICATED RESOURCE MARCH 2012

RESOURCE CATEGORY	MINERALISATION TYPE	TONNES	Copper %	Gold g/t	Silver g/t	Zinc %	Iron %
Indicated	Copper-Gold Oxide	199,000	0.19	2.02	5.3	0.26	33.4
Inferred	Copper-Gold Oxide	3,335,000	0.42	0.70	9.2	0.16	24.0
Inferred	Copper-Gold Sulphide	450,000	0.47	0.49	7.7	0.49	32.0
Total Copper-Gold		3,984,000	0.41	0.74	8.8	0.20	25.4
Indicated	Zinc Oxide	156,300	.11	.11	10.5	1.63	-
Inferred	Zinc Oxide	702,900	.11	.07	5.0	2.55	-
Inferred	Zinc Sulphide	68,300	.02	0.00	4.8	2.08	-
Total Zinc		927,500	0.10	0.07	5.9	2.36	-

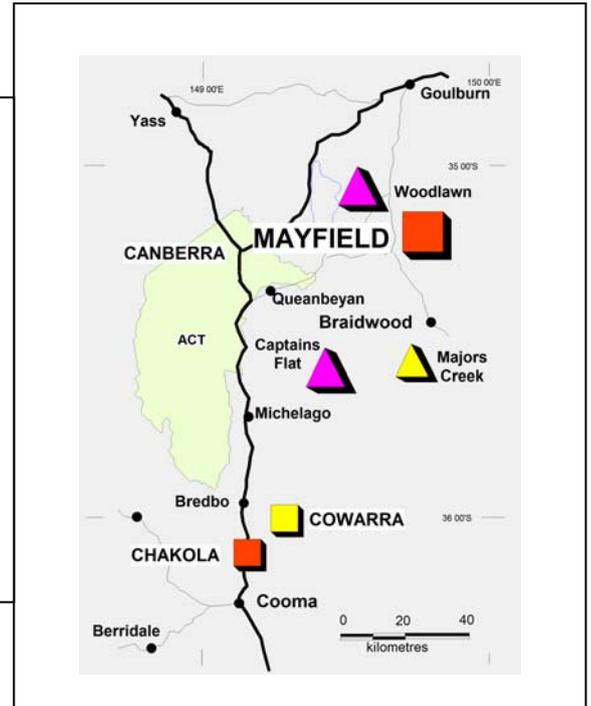
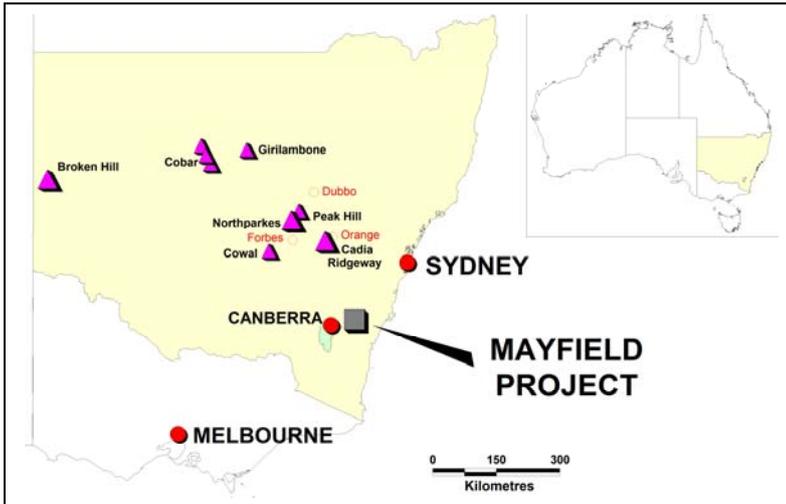
TOTAL ESTIMATED CONTAINED METAL

Copper	17,250	tonnes
Gold	94,800	ozs
Silver	1,303,000	ozs
Zinc	29,900	tonnes
Iron	1,010,000	tonnes

1 troy oz = 31.103 grams

The resource, which includes material in a tabular body of mineralisation some 630m long by up to 180m in depth, was estimated at cut-off grades of 0.3 g/t gold, 0.3% copper and 0.5% zinc where appropriate according to JORC 2004 guidelines from a high quality historic and current drill database that was supplemented by accurate survey control and bulk density data.

The resource material was classified from drill hole logs and assay results and blocked out by the classical method on nine drill cross sections along the mineralized horizon. The current and historic drill datasets for 17 diamond core holes, 10 reverse circulation percussion holes, 4 reverse circulation aircore holes and 24 rotary air blast holes were used as the basis of the estimate. The mineralisation is up to 50m wide and is open at depth on all sections (see drill trace plan and simplified cross sections below).



Continuity of the mineralisation is indicated by the correlation between drill sections and by its coherent magnetic signature. Tonnage estimates were based on an average figure of 2.57 g/cc for the bulk density of the oxide material, which was measured in the range 1.34 g/cc to 4.56 g/cc.

The resource material was classified as being either Inferred or Indicated depending on the source of the data (Inferred for all historic data), the drill hole spacing and the area of influence of each drill sample run on a given section (current drill data only).

The Mayfield deposit is one of several skarn or metasomatic replacement deposits that occur in the project area. The mineralisation is hosted by metasomatised limestone and sandstone which form a screen between two granodiorite intrusions. The screen is up to 55m wide and extends to more than 250m below the surface. The mineralisation consists largely of the iron oxides hematite, goethite, limonite and magnetite, admixed with siliceous ironstone, quartz, calcite, siderite and clays derived from weathered calc-silicate minerals. The principal ore minerals include native copper, cuprite (Cu_2O), chalcocite (Cu_2S), covellite (CuS), chalcopyrite ($CuFeS_2$), wittichenite (Cu_3BiS_3), native silver, smithsonite ($ZnCO_3$), willemite ($ZnSiO_4$), sphalerite and galena. The mineralisation is deeply weathered and oxidation has been recorded to depths of up to 175m.



Mayfield Prospect - view looking NE down the line of lode from an exposure of gossanous ironstone near the southern end of the structure. December, 2011.

Drill assays across the deposit peak at 32.3 g/t gold, 3.3% copper and 15.4% zinc and there are pockets in the mineralisation that are rich in silver at up to 200g/t.

Significant intercepts from the current drilling include:

- **20m @ 6.86 g/t gold, 2.1 g/t silver, 0.27% copper, 46.3% iron from 10m in MAAC09**
 - including 6m @ 11.68 g/t gold, 3.0 g/t silver, 0.28% copper from 12-18m
 - and 3m @ 15.13 g/t gold, 3.0 g/t silver, 0.25% copper from 22-25m
- **36m @ 1.81 g/t gold, 4.3 g/t silver, 0.10% copper, 29.0% iron from 16m in MAAC12**
 - including 2m @ 5.75 g/t gold, 0.7 g/t silver, 0.08% copper from 22-24m
- **35m @ 14.7 g/t silver from 42 – 77m in MAAC11** including 3m @ 31.4 g/t;
- **6m @ 16.6 g/t silver from 31 – 37m in MARC10** including 2m @ 37.6 g/t; and
- **3m @ 19.8 g/t silver from 39 – 42m in MARC07;**

And significant intercepts from historic drilling in the mid-nineties include:

- **42m @ 2.54 g/t gold and 0.67% copper** from surface in hole MR-4
- **75m @ 0.51 g/t gold and 0.5% copper** from 8m in hole MARC-5
- **50m @ 0.52 g/t gold and 0.25% copper** from surface in hole MA-18; and
- **66m @ 0.40% copper from 119m** in hole MA-22 (inc. 8m @ 1.25% copper from 163m)

The mineralisation is also relatively rich in iron at up to 63% and drill intersections of up to 25m @ 47.7% iron at a 40% cut off have been recorded. Tungsten values to 280 ppm, cobalt to 462 ppm and manganese values to 4.9% have also been recorded.

Results suggest that gold has been enriched in pockets in the previously undrilled upper part of the mineralized body and that there is considerable scope to drill out the extensions of the structure to the southwest and northeast over at least some 600 metres of combined strike.

Metallurgical testing of drill samples, which was carried out in 1996, indicated that the gold, copper and zinc are amenable to recovery by leaching and that there is scope to improve recoveries by using different pathways for extraction.

Investigations are to be undertaken into the options that are available for mining and treatment of the mineralisation and scoping studies have commenced.

The geological setting in the Mayfield area is ideal for the formation of significant gold-copper mineralising systems and there is considerable exploration potential to add to the known resources through drilling both in the immediate vicinity of the Mayfield resource and at other promising gold prospects within the Exploration Licence where mineralisation of a similar style has been located.

Permits are in place for follow up drilling which has been designed to close up the drill spacing in the resource envelope and to test extensions along strike. For further information please contact:

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CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROSPECT

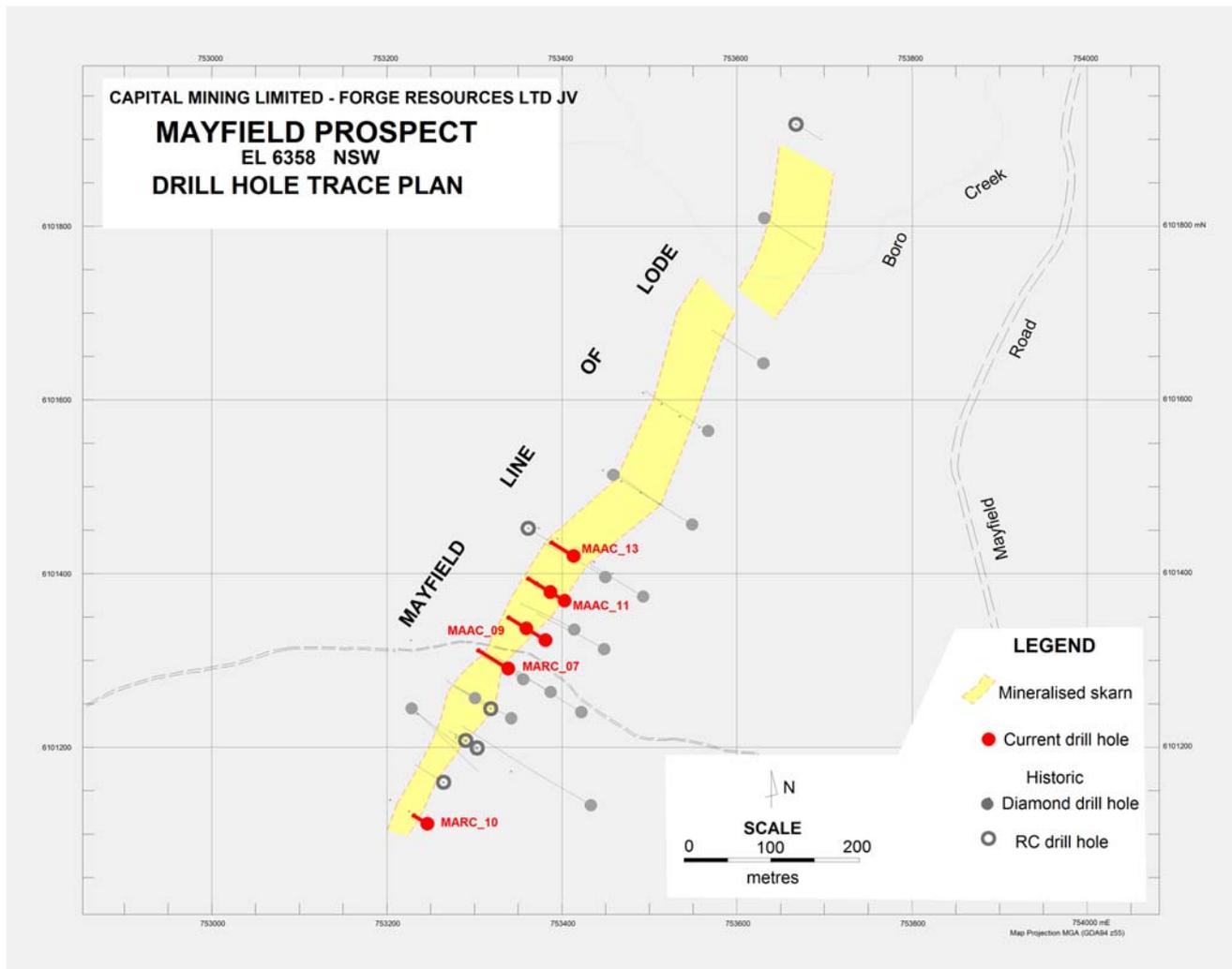
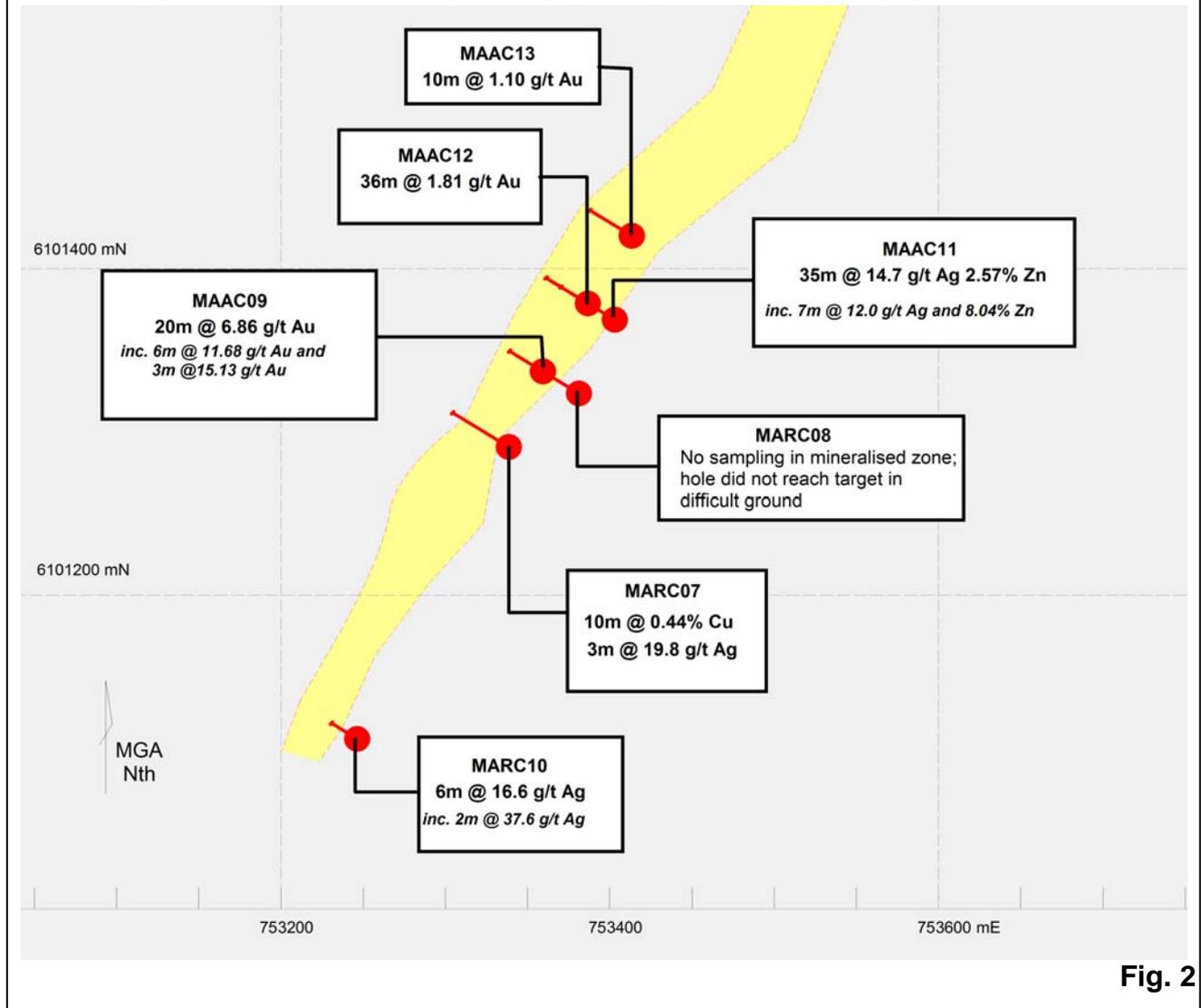


Fig. 1

CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROSPECT CURRENT DRILL HOLE LOCATION & RESULTS SUMMARY



CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROSPECT SIMPLIFIED DRILL CROSS SECTION 2050 North

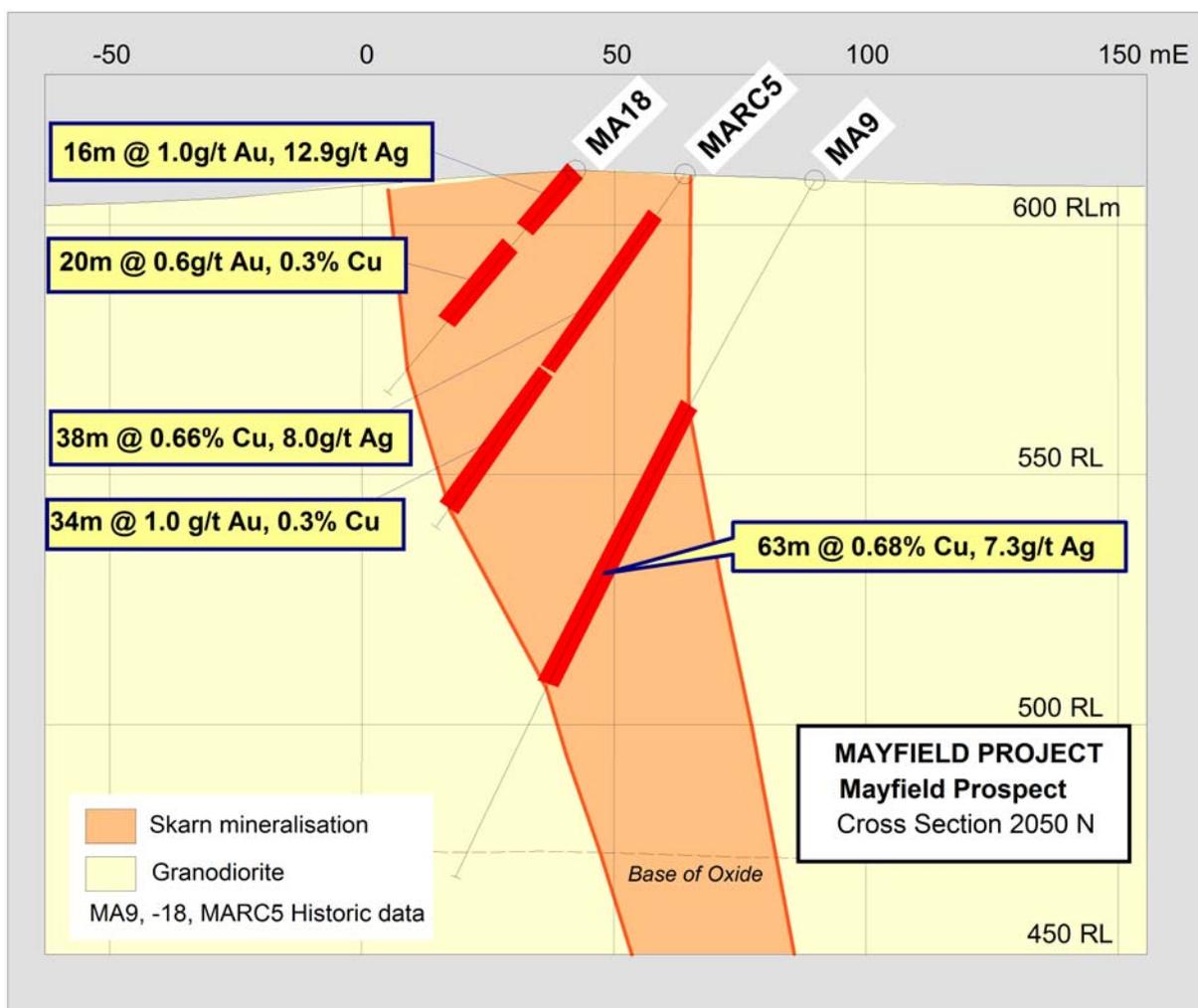


Fig. 3

CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROSPECT SIMPLIFIED DRILL CROSS SECTION 2160 North

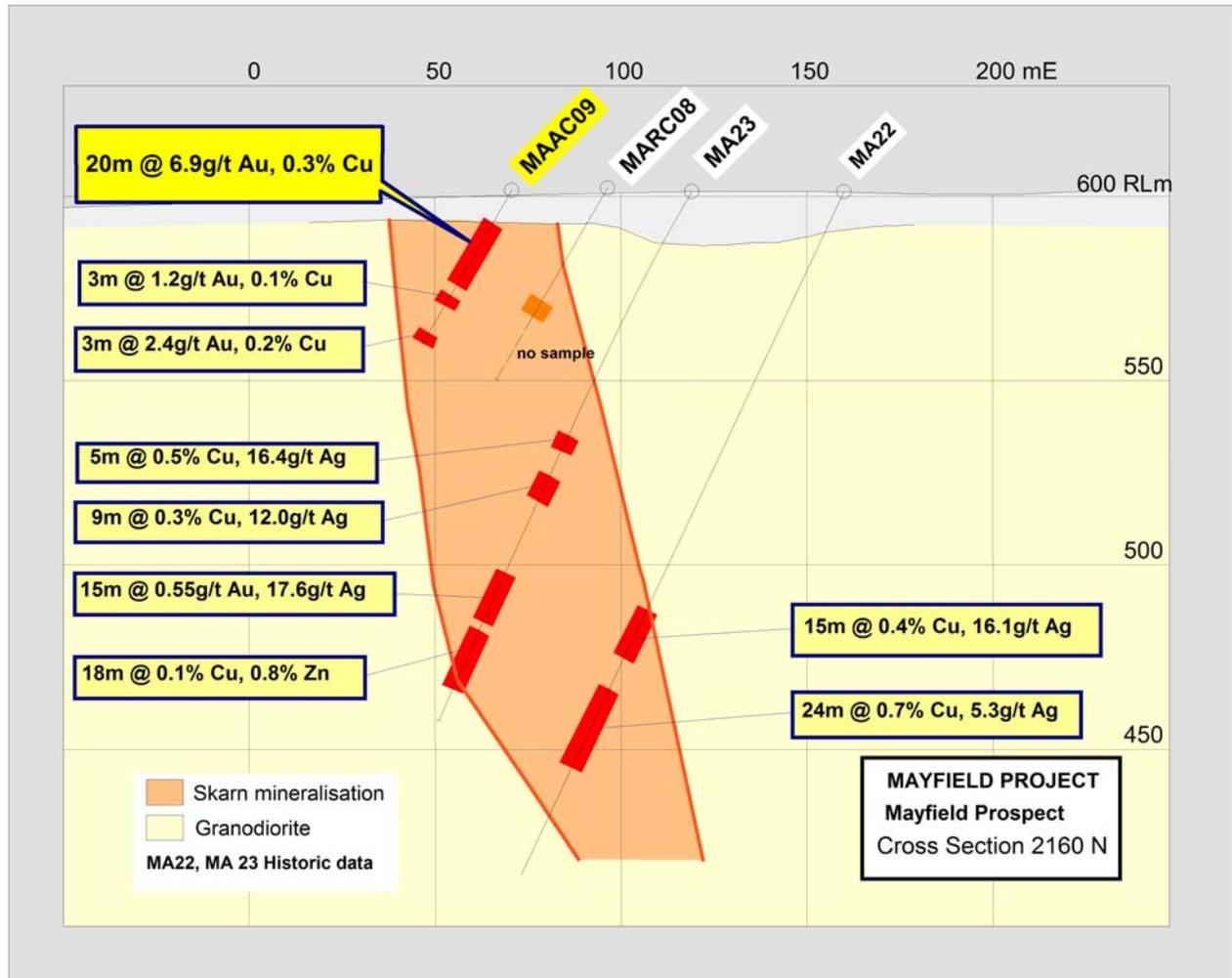


Fig. 4

CAPITAL MINING LIMITED – FORGE RESOURCES LTD JOINT VENTURE MAYFIELD PROSPECT SIMPLIFIED DRILL CROSS SECTION 2200 North

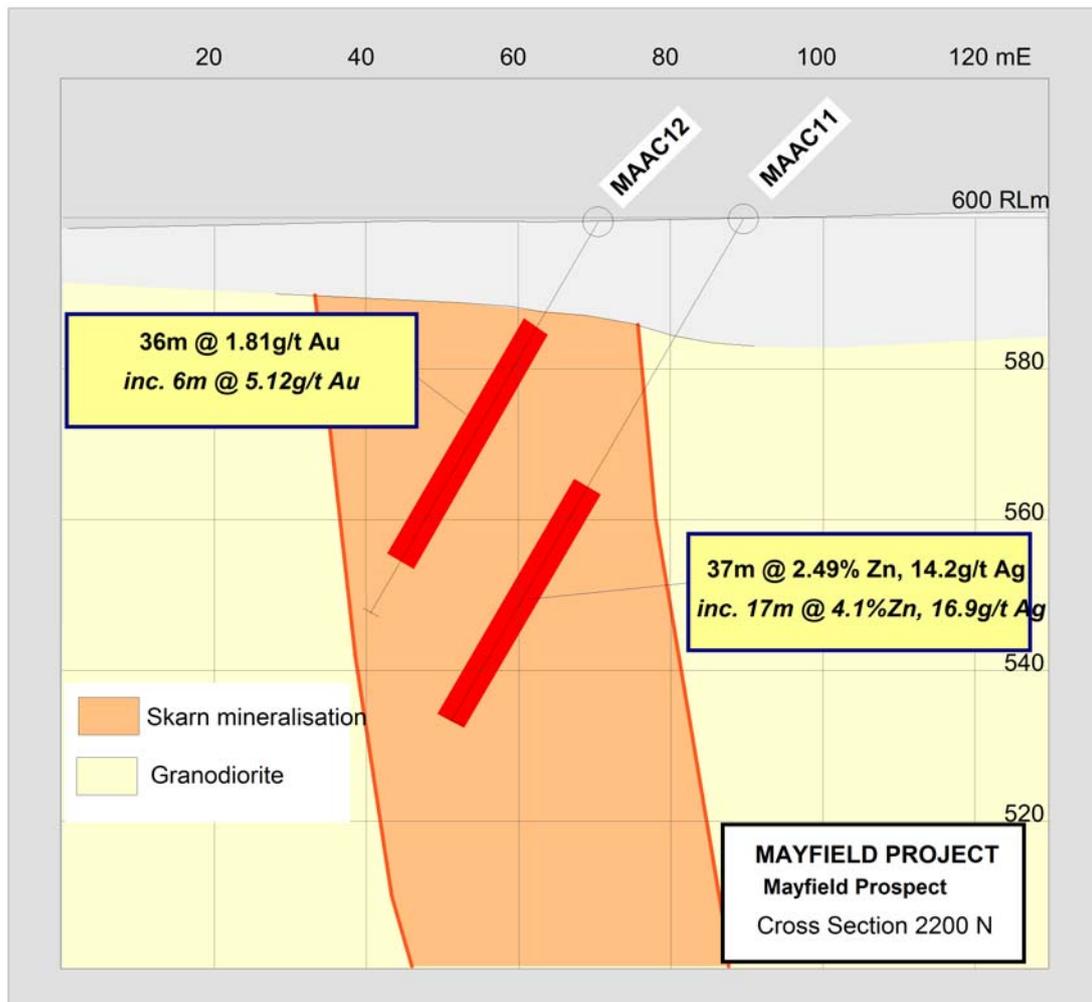


Fig. 5

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.