

Capital Mining Limited

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ASX Release

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CAPITAL MINING EXPANDS MAYFIELD PROJECT AREA

Highlights

- **Capital Mining has submitted a new exploration licence application surrounding the existing Mayfield Project area in NSW - will expand project area by ~178km²**
- **New application is considered highly prospective for Mayfield style mineralisation and provides a greatly expanded, contiguous landholding**
- **Initial field work will include geochemical, geophysical survey programs and geological mapping plus rock chip, soil and stream sediment sampling**
- **Aim of field work will be to define priority targets for maiden drill program**
- **Drilling at Mayfield Project progressing well – assay results pending from first hole and drilling remains ongoing.**

Capital Mining Limited (ASX: CMY) (“Capital” or “the Company”) is pleased to announce that it has expanded its Mayfield Project area in south-eastern New South Wales.

The Company has lodged an application for a new exploration licence surrounding the existing Mayfield Project (EL 6358). The new application (ELA 5415) covers an area of 58 units and will expand the project area by approximately 178km².

It is considered highly prospective for the mineralisation style found at the Mayfield Project, and provides the Company with a greatly expanded, contiguous landholding in the area (refer Figure 1). The new application area hosts numerous gold and base metal prospects, similar to the Resource at the Mayfield Project.

Planned Initial Works Program

Upon grant, the new application area will be subject to a vigorous exploration program with the objective of identifying additional mineral occurrences, and drill targets to complement the existing resource inventory at the Mayfield Project.

Initial field work will include geochemical and geophysical survey programs and geological mapping, along with rock chip, soil and stream sediment sampling. The aim of this work will be to define priority target areas for a maiden drill program.

About ELA 5415

The new exploration licence application straddles the boundary between the Molong-South Coast Anticlinorial Zone in the East and the Captains Flat-Goulburn Synclinal Zone to the West. The Eastern portion of the application area covers Adaminby Group flysch sediments of Ordovician age.

In the Northern part of the application area, deposits of copper vein (Curra Creek) and lead-silver (Cullula, Cullula South and Meyers Reef) occur as stockwork vein occurrences, and in the southern portion, a number of outcropping gossans such as Hanging Rock, Glenrossal and Ennisclare represent exo-skarn type mineralisation and contain variable amounts of gold, zinc, copper and lead – similar to that found at the Mayfield Project.

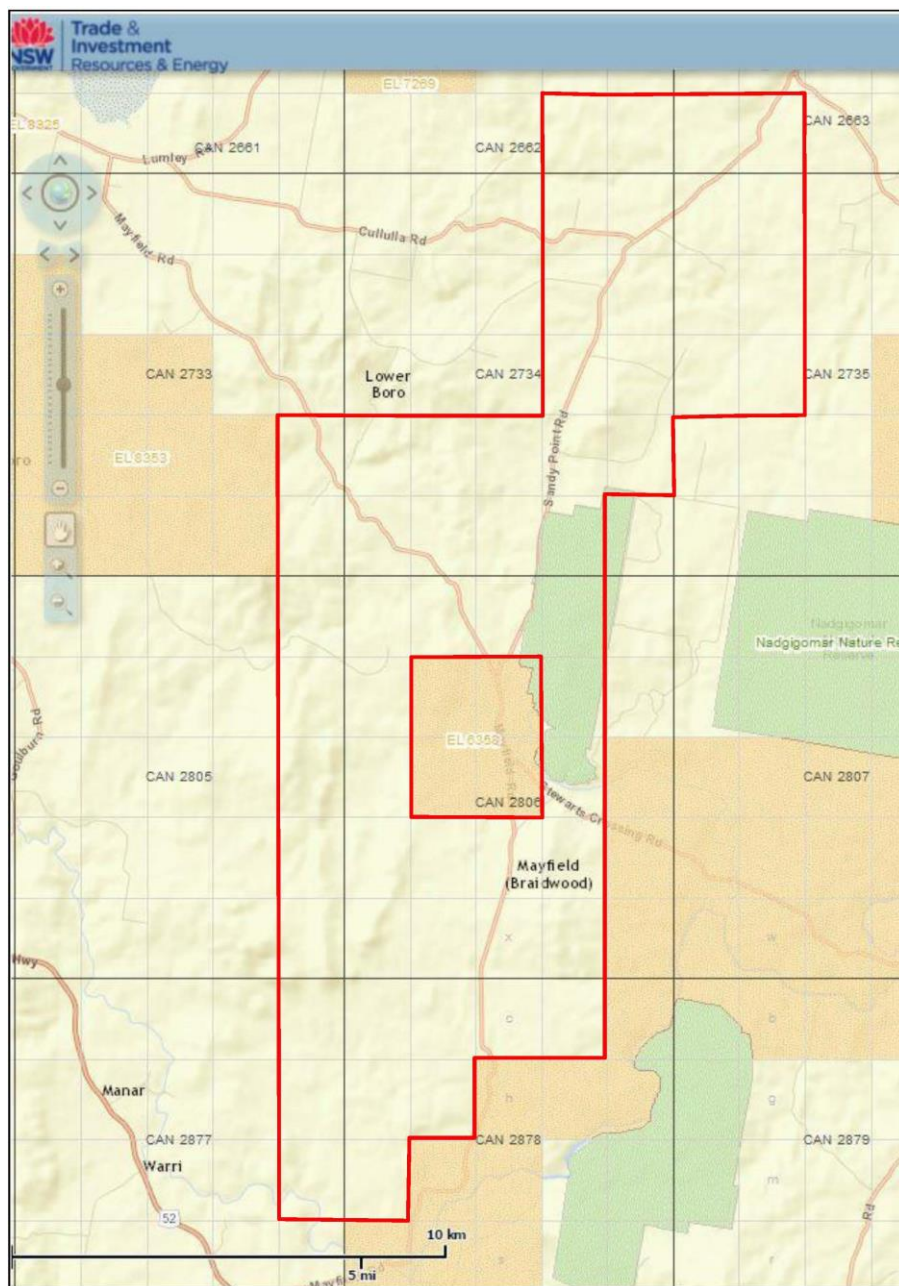


Figure 1: New Exploration Licence Application surrounding the existing Mayfield Project



Mayfield Project Drilling Update

Capital is also pleased to provide the following update on drilling at the Mayfield Project.

Drilling is currently ongoing and progressing well. The first drill hole (MAY2) in the current two hole program has been completed. The hole was drilled to a depth of 240 metres, and passed through a well mineralised skarn, between 188 metres and 210 metres downhole, which represented a true width of between 15-18 metres. This skarn mineralisation has been logged and sent for laboratory analysis, and results are expected in January, 2017.

Drilling on MAY1 is in progress, and the Company anticipates it will intersect the target zone anticipated shortly. Capital will update the market further on the Mayfield drilling program in due course.

About the Mayfield Project

The Mayfield Project is located in the minerals endowed Lachlan Fold Belt of eastern Australia within the highly prospective Braidwood Granodiorite geology, and hosts a significant gold-copper skarn deposit. Capital has a 51% equity interest in the Project. The remaining project ownership is held by Rutila Resources (46.5%) and Roberts Consulting (2.5%). The Mayfield Project forms part of an active exploration area, and is situated in close proximity to the world-class Majors Creek Gold Field, which hosts the significant Dargues Reef Gold Project, near the town of Braidwood (Figure 2: Project Location Map).

The Project has a JORC 2004 Resource Estimate of;

- Gold-copper dominant mineralisation: 4Mt @ 0.7 g/t gold, 0.4% copper, 8.8 g/t silver, 0.2% zinc and 25.4% iron; and
- Zinc dominant mineralisation: 0.9Mt @ 2.36% zinc, 5.9 g/t silver and 0.1% copper.
(See Table 1: Breakdown of Resource categories).

This 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.

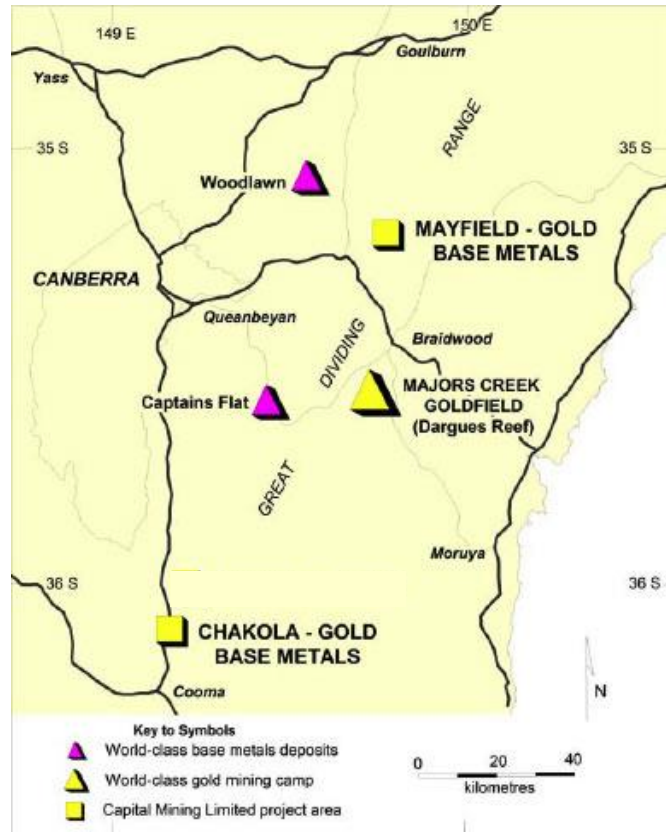


Figure 2: Capital Mining NSW Projects Location Map

-ENDS-

Peter Dykes

Director
Capital Mining Limited

About Capital Mining

Capital Mining Limited is an ASX listed junior mineral resources company focused on the acquisition and exploration of key, demand driven commodities. Its project portfolio includes lithium prospective assets in Western Australia and the Republic of Ireland, plus gold and base metals projects in New South Wales.

Competent Persons Statement

Statements contained in this report relating to exploration results and mineral resources on the Chakola and Mayfield Projects 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 Limited. He has sufficient relevant experience in relation to the mineralisation styles being reported on, to qualify as a Competent Person as defined in the 2012 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 2004) on the basis that the information has not materially changed since it was last reported.

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

Table 1: Mayfield Project – JORC 2004 Resource categories