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ASX Release

31 January 2017

PEGMATITES CONFIRMED AT WOLFHOUND LITHIUM PROJECTS IN IRELAND

Highlights

- Capital Mining has completed a highly successful first phase exploration program at its Wolfhound Lithium Projects in the Republic of Ireland
- Pegmatites identified at both the Ballon and Borris Lithium Projects within the wider project area
- 18 samples collected in the program and will be sent for laboratory analysis
- Subject to results of initial program Capital will plan next phase of exploration design to identify priority drill targets
- The Ballon Project is located adjacent to International Lithium Corp's. (ILC) JV Avalonia Lithium Project with China's largest lithium producer, Ganfeng Lithium
- ILC completed a 23 hole-1756m drilling program at the Avalonia Project in 2016 - results included; 2.33% Li₂O over 4.62m, including 3.29% Li₂O over 1.67m

Capital Mining Limited (ASX: CMY) ("**Capital**" or "**the Company**") is pleased to announce that it has discovered Pegmatites in its recently completed first phase exploration program at the Company's Wolfhound Lithium Projects in the Republic of Ireland.

The exploration program was reconnaissance in nature and targeted the priority Ballon (PL 2930 & PL 2931) and Borris (PL 3559, PL 3211 & PL 1597) prospects within the project area (see Figure 1 – Project Location Map). Exploration was designed to identify and sample spodumene (lithium-bearing) pegmatites in order to define and refine priority exploration targets for the next phase of field work at the project.

The program was successful in confirming the presence of pegmatite material at both prospects. A total of 18 samples were collected across both targets and will now be sent for laboratory analysis (see Table 1 - Rock Sample Results and Figures 4-6 - Potentially lithium bearing pegmatite samples from the field work program).

The initial results will help confirm the project area's potential to host lithium-bearing pegmatites, and validates Capital's exploration rationale at the Wolfhound Projects.

Spodumene-bearing pegmatites have previously been identified at two locations by the Geological Survey of Ireland (GSI), and the Ballon prospect is located immediately adjacent to International Lithium Corp's (TSXV: ILC) high grade Avalonia Lithium Project. ILC completed a highly successful 23 hole–1756 metre diamond drilling program at the Avalonia Project in 2016, which returned high grade intersections including; 2.33% Li₂O over 4.62m, including 3.29% Li₂O over 1.67m (refer ILC release, 21 July 2016).

ILC is advancing the Avalonia Project in joint venture with Ganfeng Lithium, China's largest integrated lithium producer - Ganfeng owns 55% of the project. The strategic partnership has expended US\$2.1 million in exploration at the project to date (refer ILC release, 25 January 2017).

ILC's exploration success in the region and its commitment to the Avalonia Project helps provide confidence for Capital's lithium-focused exploration activities in the same geological terrain. As part of its next phase of field work Capital will test for extensions of the Avalonia pegmatite in to the Ballon target area.

Subject to results from the initial field work program, Capital's next phase of exploration will be designed to identify and rank drill targets for a maiden drill program at the project area.

Wolfhound managing director and Irish-based Thomas Corr said:

"We are extremely encouraged by the surface results and coupled with the knowledge gained from reviewing historical data and exploration success at ILC's neighbouring Avalonia project, Capital now eagerly awaits assay results from the collected samples. These will greatly assist in delineating high quality targets, and in turn steer the Company towards its maiden drilling program in Ireland."

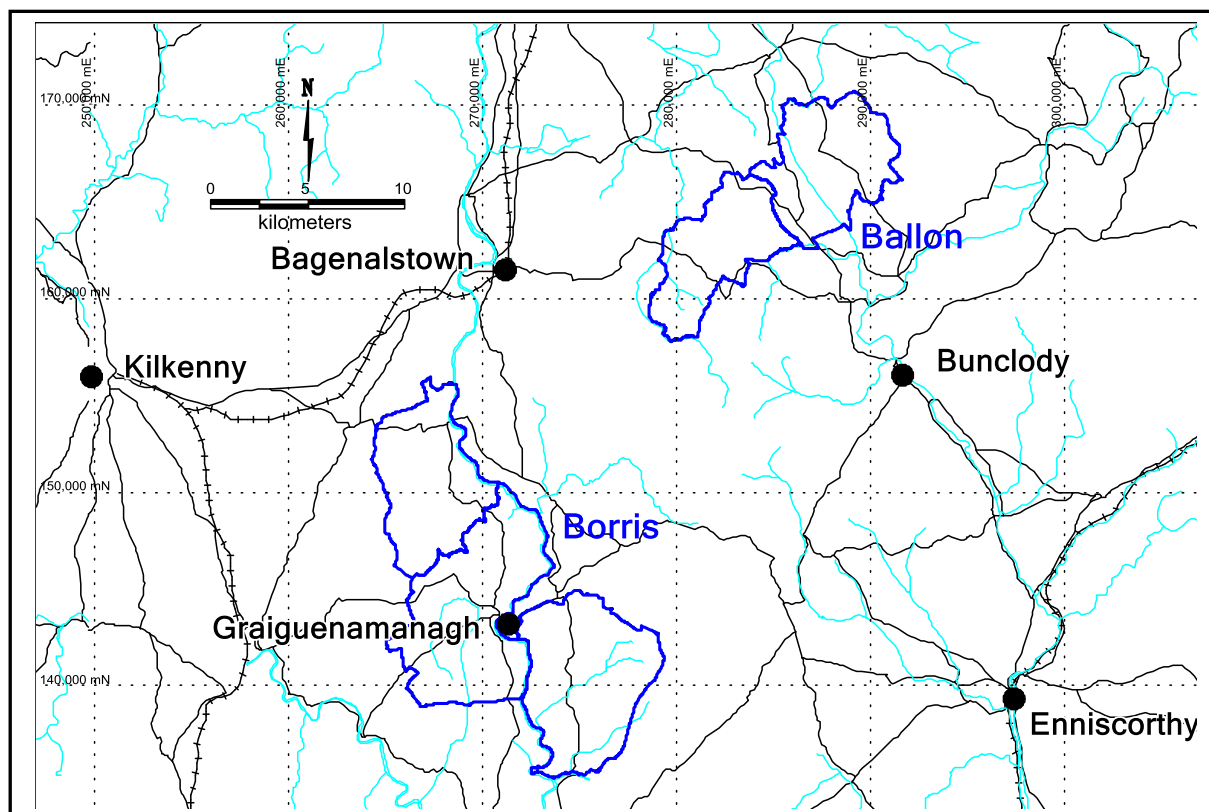


Figure 1: Project Location Map

First Phase Exploration Overview

Ballon Target

The Ballon prospect consists of two contiguous licences covering an area of 68.62km². Exploration focused on the area which hosts the known mineral occurrence, recorded on the GSI database, in southern region of the prospect (Figure 2).

Reconnaissance field work focused on hedgerows, stonewalls, field boundary ditches and areas of rough ground where outcrop and float are most likely to be found. The geology of the area is the Tullow Equigranular Granite, a pale fine to coarse grained granite. Pegmatite material was discovered, and some good examples were found to the south (Sample ZMI-007) and northwest (Sample ZMI-008), where there was a pronounced increase in grain size.

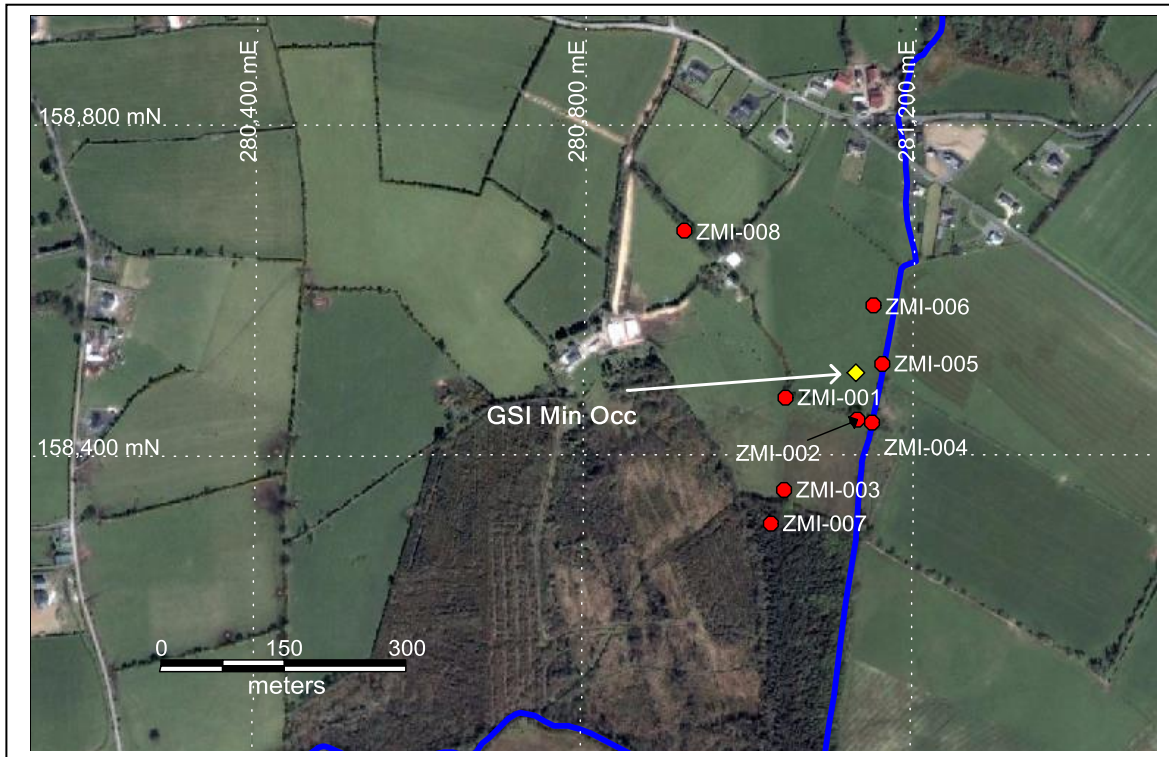


Figure 2: Ballon Prospect – Location of samples in southern region of Liscence

Borris Target

The Borris prospect consists of three contiguous licences covering an area of 141.86km². The Borris mineral occurrence recorded on the GSI database is hosted within the Blackstairs, Equigranular Granite, which is a pale, fine to coarse granite. The Company’s Reconnaissance field work at Borris identified well developed pegmatite float with large, well defined feldspars and in particular large coarsely crystalline mica crystals. There was also tourmaline noted in some of the hand specimens (see Figure 3 – Borris Sample Locations).

The field work focused on areas where outcrop and float would be expected to be identified, as per the approach at the Ballon target. The best pegmatite material was discovered to the south of the GSI mineral occurrence (in samples ZMI 15, 16 & 18) and this will be a priority target area for the next phase of field work. The area to the north and west of main occurrence also represents an area of untested potential.

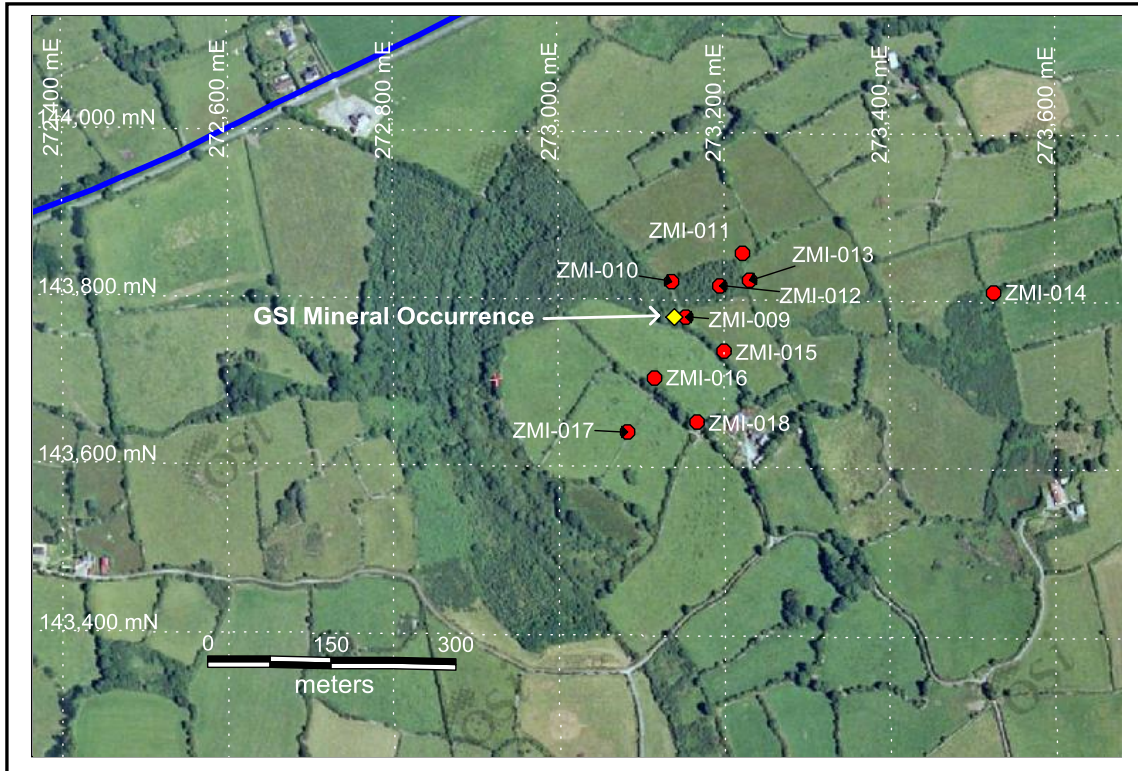


Figure 3: Borris Prospect – Location of samples in the Licence area

Conclusions – Next Proposed Work Program

The traverses in the reconnaissance field work at Ballon and Borris focused in the immediate areas of the GSI historic mineral occurrences and clearly demonstrated the potential to expand the sampling radius. In particular the region to the south and west at the Ballon prospect warrants follow up work and the general region around the Borris target zone warrants further prospecting and geological mapping.

The previous exploration in the region has identified that the spodumene-bearing pegmatites have virtually zero magnetic susceptibility, in contrast to neighbouring lithologies. Capital will assess the laboratory assay results from the first phase exploration program and will then utilise open file geophysics data and a ground magnetometer survey to confirm the presence of spodumene-bearing pegmatites, and form a fuller assessment of the project's potential.

Subject to results of this work, it will be followed by systematic geochemical sampling to delineate priority drill targets, which will be ranked in preparation for a maiden drill program at the Project.

The Company will provide results of the laboratory assay results when they become available and will update the market on plans for the next phase of exploration in due course.

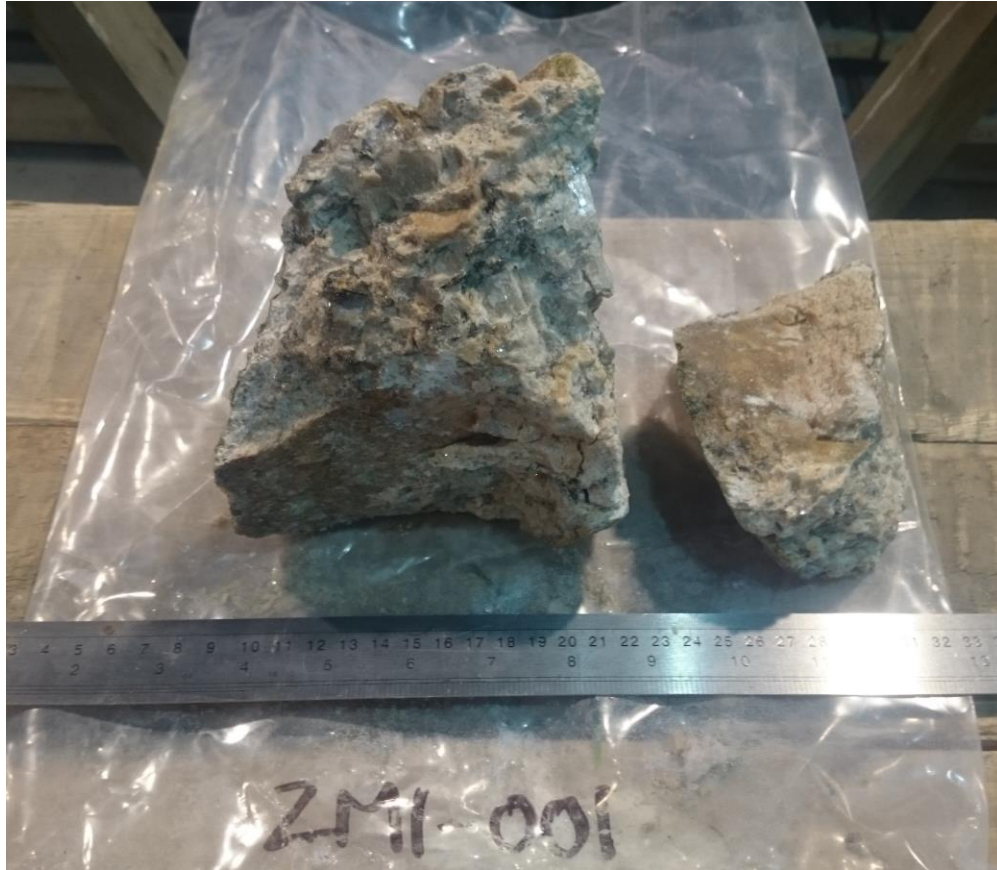


Figure 4: Potentially lithium bearing pegmatite sample taken from recent field work

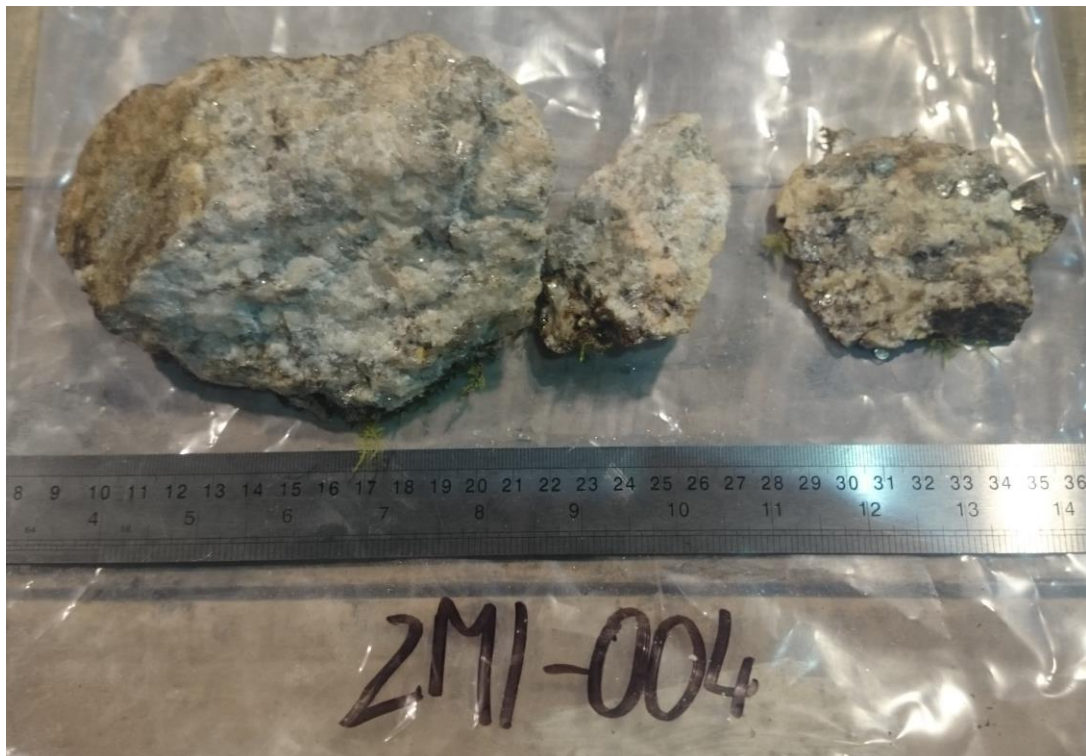


Figure 5: Potentially lithium bearing pegmatite sample taken from recent field work

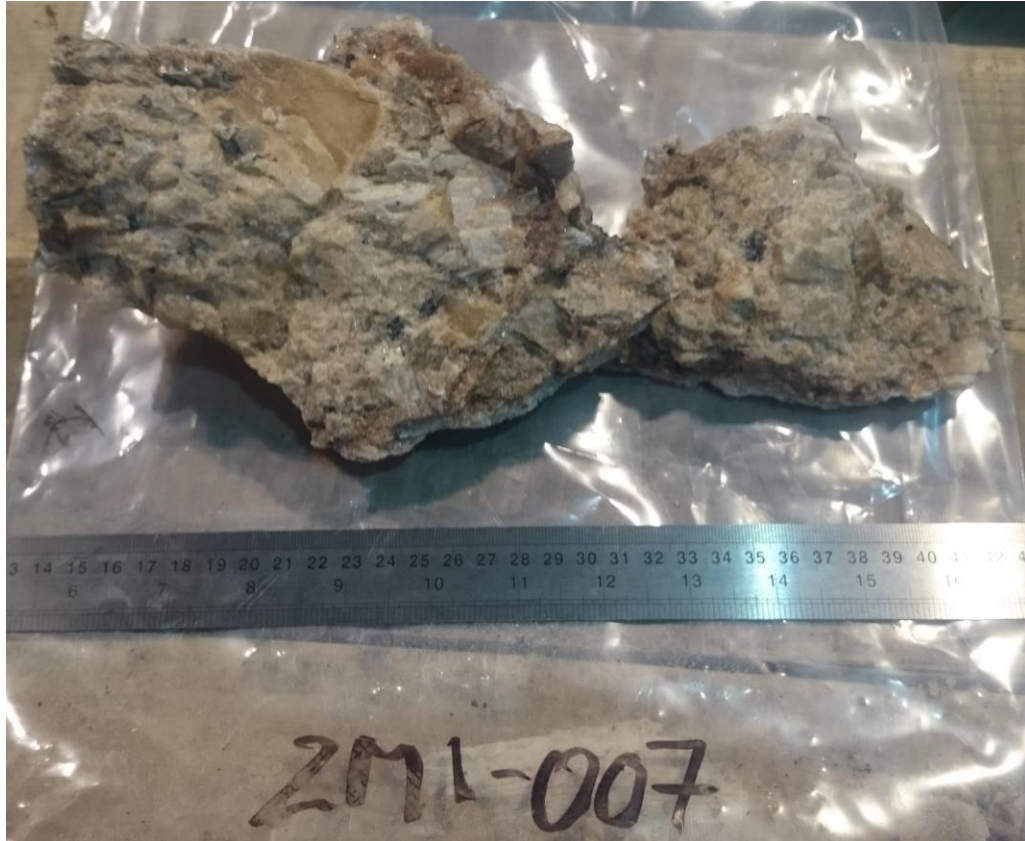


Figure 6: Potentially lithium bearing pegmatite sample taken from recent field work

About the Wolfhound Lithium Projects

Capital entered into a Binding Agreement to acquire 100% of the issued capital of Wolfhound Lithium Limited (Wolfhound), the owner of the Ballon, Borris and Tinahely Projects, in June 2016 (ASX announcement, 1 June 2016). Capital subsequently completed the acquisition of Wolfhound and all seven Prospecting Licences Applications covering the project areas have been granted - PLs 2930, 2931, 1597, 3211, 3559, 1473 and 1715 (ASX announcement, 22 September 2016).

The projects cover a total area of approximately 270km² in the highly prospective Leinster Granite in the south east of Ireland, and are considered prospective for lithium-rich spodumene bearing pegmatites. The Leinster Granite hosts lithium-bearing pegmatites that are analogous to Talison's world class Greenbushes Lithium Project in Western Australia – the Greenbushes Mineral field hosts the world's largest pegmatite hosted lithium resource.

ENDS

Peter Dykes
Director



About Capital Mining Limited

Capital Mining Limited (ASX: CMY) is an active 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.

Table 1: Ballon and Borris Prospects - Rock Samples from Initial Field work Program

Sample No	Easting	Northing	Elevation	Text	Sample Type
ZMI-001	281045.00	158469.88	154.66	Coarse to Pegmatite Granite, micas relatively small compared to Qtz & Feldspar	Float
ZMI-002	281132.91	158443.13	149.61	Coarse granite, some Qtz/Feldspar upto Pegmatite size, coarse micas	Float
ZMI-003	281043.80	158358.79	145.52	Pegmatite, verging on coarse granite. Medium to coarse micas	Float
ZMI-004	281149.71	158439.43	164.99	Coarse to Pegmatite Granite, medium to coarse micas, fine tourmaline	Float
ZMI-005	281162.74	158511.04	151.29	Coarse to Pegmatite Granite, well developed Qtz/Feldspars, coarse micas	Float
ZMI-006	281150.86	158580.62	155.86	Medium Grained granite, 40/40/20 Qtz/feld/micas	Float
ZMI-007	281028.46	158317.91	151.77	Pegmatite Granite, large feldspar & Qtz, coarse micas	Float
ZMI-008	280921.54	158671.61	168.36	Pegmatite Granite, pronounced increase in mica grain size	Float
ZMI-009	273154.28	143779.55	81.12	Pegmatite Coarse Granite contact	Float
ZMI-010	273136.43	143821.72	82.56	Pegmatite Granite, coarse micas, possible fine tourmaline	Float
ZMI-011	273223.31	143855.15	86.16	Pegmatite Granite, pronounced increase in mica crystal size	Float
ZMI-012	273194.63	143816.02	85.68	Coarse to Pegmatite Granite, coarse micas crystals	Float
ZMI-013	273230.50	143824.73	94.82	Pegmatite Granite, well developed feldspars, coarse micas.	Float
ZMI-014	273524.92	143811.44	107.31	Coarse to Pegmatite Granite, well developed feldspars, coarse Qtz/micas	Float
ZMI-015	273199.08	143738.73	83.04	Granite Pegmatite, well developed feldspars and micas. Trace biotite	Float
ZMI-016	273115.33	143706.56	74.63	Pegmatite, well developed feldspars and micas	Float
ZMI-017	273082.06	143642.45	66.22	Coarse to Pegmatite Granite, coarse mica crystals	Float
ZMI-018	273166.30	143653.68	65.01	Pegmatite Granite, well developed feldspars, Qtz and micas	Float