



ASX/Media Release

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**Capital Mining Limited**

**ASX: CMY**

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**Directors**

**Mr Robert McCauley**  
(Executive Director/CEO)

**Dr James Ellingford**  
(Non-Executive Director)

**Mr Peter Torney**  
(Non-Executive Director)

**Company Secretary**

Elizabeth Hunt

**About Capital Mining**

*Capital Mining Ltd (ASX: CMY) is an exploration company focused on the development of its key Australian Assets.*

**Capital Mining enters agreement to secure A\$2.5m to progress project development activities**

The Board of Capital Mining Limited ("CMY" or "the Company") is pleased to announce it has entered into a term-sheet to secure A\$2.5m Convertible Note funding facility from a significant New York based institutional investor and local Australian firm. The backing of the US-based fund, which manages in excess of \$1.5 billion in assets, demonstrates strong support for CMY and its future development plans.

Importantly, CMY will be able to draw down \$300k from the \$1.5 million US facility following execution of final documentation, with the notes convertible at the lower of 87.5% of the lowest VWAP during the 20 trading days before the conversion date, rounded down to the next 1/10<sup>th</sup> of a cent or \$0.01. In any event the floor price will be \$0.004. The Company will then be able to draw down additional tranches of \$250k every 120 days.

Additionally, the Company has secured a second facility from an Australian based firm for A\$1 million that can be drawn down in two tranches of \$500,000, which is convertible into shares at an issue price of A\$0.01 each or repayable subject to paying an interest rate of 7.5%pa.

Each draw down from the facilities will be subject to meeting the funding conditions, including the Company's securities not being suspended from trading and the Company having the placement capacity available to issue the relevant tranche of notes.

Under the US facility, the Company is required to issue 20,000,000 options as part consideration for the facility. These options will expire 3 years from the date of issue and will be exercisable at 120% of the average of the daily VWAPs for the 20 days immediately prior to the execution date of the US facility agreement. The issue of these options will be subject to shareholder approval.

Further details on the two facilities will be announced to ASX upon execution of the formal documentation. The Company notes the issue of convertible notes may be subject to shareholder approval.

The funding facilities will be used to continue the ongoing due diligence on a number of encouraging projects as previously disclosed by the Company last year (8 October 2013).

CMY is continuing discussions in relation to the acquisition of Indochine Mining Limited's (ASX: IDC) Cambodian copper/gold assets. Discussions surrounding the acquisition are well-advanced, with the Company confident of finalising negotiations in June. However, as negotiations have not been finalised to date over a long period of time, the Board has formed the view it cannot guarantee that negotiations will be concluded in a timely

manner and it is therefore appropriate for the Company's securities to be reinstated to trading.

Furthermore, CMY also intends to undertake strategic exploration activities across a number of existing projects within the Company's Australian tenement portfolio, where it is also searching for potential farm-out opportunities.

The Company's Australian assets include;

Chakola - NSW (CMY 100%)

EL 5697 - Gold, silver, copper, lead, zinc, molybdenum, antimony

Cowarra – NSW (CMY 50%; Commissioners Gold 50%)

EL 5939 - Gold

Mayfield – NSW (CMY 51%; Rutila Resources 46.5%; Roberts Consulting 2.5%)

EL6358 - Gold, copper, silver, base metals

Craigie – NSW (CMY 100%)

MLA 366 & 367 – Alluvial gold

Porters Mount – NSW (CMY100%)

EL 6591 - Gold, copper, silver, molybdenum

Milparinka – NSW (CMY 100%)

EL 6832 - Platinum Group Elements (PGE), nickel, copper, gold

Mundaerno South – South Australia (CMY 51%; AMWD 49%)

EL 5337 - Uranium, copper, gold, REE

**-ENDS-**

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