



PROPOSED ACQUISITION BROKEN COAST CANNABIS RENEWS MMPR LICENCE AND SIGNS NEW WHOLESALE CONTRACTS

Capital Mining Limited

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- Broken Coast Cannabis Ltd (BCC) receives annual MMPR license renewal
- BCC continues to prove production expertise compliant with Health Canada's
- BCC signs two wholesale contracts valued at C\$1,435,000
- 2015 expansion plans currently being implemented including an updated cutting edge website to continue enhancing retail sales

BCC is a licensed grower, manufacturer and distributor of medical cannabis products under Canada's Marijuana for Medical Purposes Regulations (**MMPR**). As previously announced on 9 March 2015, Capital Mining Limited (**CMY**) has entered into a binding Heads of agreement with BCC to acquire up to a 49% interest in BCC.

License Renewal

On 14 March 2015 Health Canada awarded BCC a license renewal to continue production, sales and distribution of medical cannabis under Health Canada's MMPR. The license renewal validates BCC's strict compliance with Health Canada's license conditions.

Wholesale Contracts

We are also pleased to announce that BCC has signed two 12-month wholesale contracts with a combined value of C\$1,435,000 whereby BCC will supply high quality, dried medical cannabis to Licensed Producers in Canada. The landmark contracts indicate the robust growth of the retail Medical Cannabis market and increasing demand of registered users. More importantly for BCC, the contracts recognise the unique high quality product and manufacturing efficiencies they have achieved in comparison to their competitors.

BCC continues to identify further wholesale partnerships with other MMPR license holders the Canadian Market.

Focus on Expansion

With the MMPR license renewed, the BCC management team is now able focus fully on increasing production capacity and growing sales of medical cannabis. The 2015 expansion initiative is expected to increase annual production capacity from 720kg currently to an estimated 2,000kg. Development plans are currently being implemented and expected to be completed and licensed by late 2015 / early 2016.



ASX/Media Release

25 March 2015

Website Development

Broken Coast is currently developing a cutting edge website which will further facilitate distribution and Direct to Customer retail sales. The new website will be launched shortly to retail clients on the domain www.brokencoast.com and will promote the high quality and unique product to registered users.

Broken Coast Cannabis Ltd

Background on BCC

BCC is a medical cannabis producer operating and incorporated (in February 2013) in British Columbia, licensed under Canada's Controlled Drugs and Substances Act, and adhering to the MMPR. All products are hydroponically grown in a state of the art facility featuring lab-grade paneling, HEPA air filtration, and hygienic surfaces. The plants are grown in small batches in single strain rooms and harvested on a rotational cycle to ensure a steady supply of fresh product. Prior to being released for sale, all of BCC's products are tested by an independent lab to ensure that they are free from harmful mould, bacteria, heavy metals, pesticides, and foreign material. BCC has an extensive system of operating procedures in place with the aim of providing the highest levels of purity, quality, and patient satisfaction.

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