



**Capital Mining Limited**

**ASX: CMY, CMYO**

Level 11, 216 St Georges Tce  
Perth WA 6000  
Telephone +61 8 9481 0389  
Fax +61 8 9463 6103  
[www.capitalmining.com.au](http://www.capitalmining.com.au)

**Directors**

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

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

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

**Company Secretary**

Mrs Elizabeth Hunt

## ACQUISITION UPDATE

- **Acquisition terms renegotiated with Broken Coast Cannabis Ltd for option to acquire a majority stake in BCC**
- **CMY to have equal board representation in BCC upon exercise of option**
- **CMY is not proceeding with the proposed acquisition of CEA**

Capital Mining Limited (ASX: **CMY**) is pleased to provide the following update on the proposed acquisitions and corporate activities.

**BCC Agreement**

As announced on 9 March 2015, CMY will, subject to the terms of a binding Heads of Agreement dated 4 March 2015 (**BCC Agreement**), become the first ASX listed company to hold a direct stake in a licensed grower, manufacturer and distributor of medical cannabis products under Canada's Marijuana for Medical Purposes Regulations (**MMPR**) through an investment in Broken Coast Cannabis Ltd (**BCC**) [www.brokencoast.ca](http://www.brokencoast.ca).

CMY and BCC have subsequently renegotiated the terms of the BCC Agreement whereby CMY can now acquire up to 50.1% of BCC for a reduced option fee.

**Revised Key Terms of Acquisitions**

The consideration for the initial purchase of a 24% stake in BCC is unchanged.

The varied BCC Agreement provides for CMY to be granted an exclusive one-year option to increase the 24% stake that it will acquire upon completion of the BCC Agreement from 24% to 50.1% (formerly 49%) for an additional CAD\$14 million (formerly CAD\$18 million).

The renegotiated and reduced option fee of CAD\$14 million will be allocated as follows:

- (a) CAD\$10 million will be paid as a subscription for new shares issued by BCC; and
- (b) CAD\$4 million will be paid as an acquisition from existing shareholders of BCC.

Upon exercise of the option the board of BCC will increase to 6 members, of which CMY will have the right to appoint up to 50% of members.

**Withdrawal from proposal to acquire 100% of Cannabinoid Extracts Australia Pty Ltd**

As announced 17 April 2015, CMY entered into a non-binding proposal to acquire 100% of Cannabinoid Extracts Australia Pty Ltd from Essential Oils of Tasmania Pty Ltd (**EOT**).



## ASX/Media Release

21 May 2015

Following further discussions and due diligence, CMY has advised EOT that it has withdrawn its interest in the proposed acquisition.

CMY will focus on the existing three medicinal cannabis and hemp businesses which CMY is proposing to acquire in Canada and North America.

### **Capital Raising**

CMY advises it has a number of brokers and advisors engaged as part of the capital raising.

### **Anticipated Timetable of Key Events**

The updated, anticipated timetable for the key events around the BCC, CGI and Nutrawerx Inc., acquisitions is as follows:

<b>Event</b>	<b>Date*</b>
Dispatch of Notice of Meeting to CMY shareholders for approvals required under the ASX Listing Rules and Corporations Act for the Acquisitions	5 June 2015
General Meeting of CMY shareholders	10 July 2015
Lodgement of Prospectus for Capital Raising	17 July 2015
Capital Raising under Prospectus closes	31 July 2015
Completion of the Acquisitions	14 August 2015
Commencement of trading of CMY shares on ASX (subject to any re-compliance with the ASX Listing Rules required by ASX)	17 August 2015

\*The Directors of CMY reserve the right to change the above indicative timetable without requiring any disclosure to CMY's shareholders.

### **-ENDS-**

### **Further information please contact:**

Dr James Ellingford  
Director  
Capital Mining Limited  
+61 8 9481 0389

Elizabeth Hunt  
Company Secretary  
Capital Mining Limited  
+61 8 9481 0389

### **Media please contact:**

Six Degrees Investor Relations:  
Ben Jarvis, +61 2 9230 0661 or +61 413 150 448  
Sam Burns: +61 8 9322 8288 or +61 400 164 067