



Capital Mining Limited ('the Company') is pleased to present details of the Company's activities during the June Quarter, 2015.

1. Corporate

As announced on 20 July 2015, the Company has terminated the proposed transactions with Broken Coast Cannabis Ltd and Cannan Growers Inc. on that basis that certain conditions precedent are not capable of being satisfied. In this regard, the Company issued a Notice of Termination to both Broken Coast Cannabis Ltd and Cannan Growers Inc.

As further announced on 21 July 2015, the Company will not be proceeding with the acquisition of Nutrawerx, Inc. and accordingly has entered into a Deed of Termination and Release.

On 27 July 2015 the Company announced the appointment of Mr Peter Dykes and Mr Anthony Dunlop as non-executive directors.

On 28 July 2015 the Company issued 155,000,000 fully paid shares to raise \$77,500.

2. Exploration Projects

2.1 Overview of Activities

During the reporting period, no exploration activities were undertaken on any of the Company's projects. Proposed exploration programs for each project are summarised as follows.

CHAKOLA - EL 5697 (CMY 100%)

Gold and Base Metals Project (NSW)

Chakola is prospective for gold, silver, copper and other base metals and was recently renewed for a further term of 2 years until 8 March 2017.

At the Harnett Deposit, a significant gold-base metals deposit of 1.22 million tonnes with a grade of 0.8g/t gold, 0.5% copper, 8.1g/t silver, 0.4% lead and 0.7% zinc has been delineated which is compliant with JORC (2004) Measured, Indicated and Inferred categories as detailed in Table 1 below:

Table 1: Harnett Deposit – Primary Sulphide Resource (within conceptual open pit to 740m RL)

CATEGORY	TONNES	Mineralisation Type	Au g/t	Cu %	Ag g/t	Pb %	Zn %
Measured	811,300	Copper-Gold	0.9	0.6	8.2	0.4	0.6
Indicated	115,900	Copper-Gold	0.6	0.7	7.5	0.3	0.5
Inferred	nil	Copper-Gold	-	-	-	-	-
Sub Total	927,200	Copper-Gold	0.9	0.6	8.1	0.4	0.6
Measured	258,500	Lead-Zinc	0.36	0.25	8.1	0.45	0.97
Indicated	21,200	Lead-Zinc	0.33	0.23	9.0	0.53	1.29
Inferred	13,300	Lead-Zinc	0.40	0.19	9.8	0.37	0.61
Sub Total	293,000	Lead-Zinc	0.36	0.25	8.2	0.45	0.98
TOTAL*	1,220,000		0.8	0.5	8.1	0.4	0.7

**It should be noted that the above 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.*

Ongoing exploration at Chakola is being directed towards the evaluation of a series of promising gold and base metal mineral occurrences of volcanic hosted massive sulphide, intrusive related and carbonate replacement style. A significant resource of a Gold-base metals sulphide deposit of 1.22 million tonnes at a grade of 0.8g/t gold, 0.5% copper, 8.1g/t silver, 0.4% lead and 0.7% zinc or 3.1g/t gold equivalent in the Measured, Indicated and Inferred JORC categories for a total of approximately 31,000 ounces of contained gold, 6,000 tonnes of contained copper and 317,000 ounces of contained silver has so far been identified through exploration of the tenement and a proposal to develop an open cut mine on the deposit with a 5-7 year life has been drawn up.

However, further exploration is required prior to definitive feasibility studies being carried out, including:

- conversion of the shallow within pit oxide and sulphide resources at the Harnett prospect to ore reserves;
- evaluation of the goldsilver potential along the Harnett North to Stonehenge South segment of the main mineralised horizon;
- search for oxide gold resources along established mineralised corridors within the tenement; and
- search for accumulations of goldbearing massive and disseminated sulphide ore along the Stonehenge-Harnett-Driscolls Hill mineralised horizon at depth.

The proposed work program and budget is outlined in Table 2.

Table 2: Proposed program and Estimated Budget - Chakola

Item	Estimated Cost (\$)
Stage 1	
RC drilling of 5 holes for approx 400 metres	27,000
Data review, modeling, resource estimation.	20,000
Admin, software	9,000
Petrology, Metallurgy	5,000
Laboratory analysis and tests.	5,000
Total for 2016	66,000
Stage 2	
RC drilling of 15 holes for approx 1,500 metres	99,000
Data review, research, modeling, resource estimation.	30,000
Sampling and mapping	25,000
Software, admin, equipment, insurance, mining lease application.	44,000
Diamond drilling 50m and RC drilling of 2 holes for 300m	29,000
Advertising, legals, land access, compensation	10,000
Metallurgical testwork	50,000
Contractors and employees.	50,000
Total for 2017	337,000
Grand Total	403,000

The program would also incorporate enough flexibility to accelerate exploration programs should positive results be received. It should also be noted that progression of the above program is subject to the results at each stage meeting the Company's technical expectations.

The Company is currently seeking a Joint Venture Partner to help fund the development of the project.

MAYFIELD- EL 6358 (CMY 51%; Rutila Resources 46.5%; Roberts Consulting 2.5%)

Gold, Base Metals (NSW)

The Mayfield Exploration Licence (EL) has been renewed for a further term of 2 years until 23 December 2016.

This EL covers a significant gold-copper skarn deposit at the Mayfield Prospect where very encouraging historic exploration drilling results has been reported. The tenement is located in an exploration hotspot close to the world-class Majors Creek gold field near Braidwood. The main focus of the work programme is to delineate a gold resource at the Mayfield gold-copper prospect and to explore the surrounding terrain for similar occurrences. The resource now stands at:

- **Gold-copper dominant mineralization: 3.98 million tonnes at a grade of 0.4% copper, 0.7 g/t gold, 8.8 g/t silver, 0.2% zinc and 25.4% iron; and**
- **Zinc dominant mineralization: 0.9 million tonnes at a grade of 2.36% zinc, 5.9 g/t silver and 0.1% copper.**

Details are outlined in Table 3.

Table 3: Mayfield Prospect resources

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	-

**It should be noted that the above 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.*

Subject to current joint venture deliberations, a program for the completion of 3 inclined RC drill holes for a total of 860 metres is currently proposed. The objective of the drilling is designed to test the down-dip and along strike extensions of the known mineralisation. Prior to the completion of the above drilling at the Mayfield Prospect, it is intended to revisit past geophysical surveys in order to determine whether the known mineralisation had any response. Should that be the case, further magnetic and EM surveys may be conducted to elicit responses from the proposed target zones. Concurrently, environmental and landowner approvals for the program will be sought. It should also be noted that progression of the above program is subject to the results at each stage meeting the Company's technical expectations.

The proposed Mayfield exploration budget for the period ending December 2016 will be approximately \$197,000, including a minimum of \$87,000 being spent prior to the end of 2015. Details are outlined in Table 4.

Table 4: Proposed program and Estimated Budget – Mayfield

Item	Estimated Cost (\$)
Stage 1	
Admin, software and equipment	8,000
RC drilling of 3-6 holes for approx 860 metres	55,000
Ground geophysics	5,000
Advertising, legals, compensation, land access & liaison, accommodation	9,000
Laboratory analysis and tests.	5,000
Contractors	5,000
Total for 2015	87,000
Stage 2	
Insurance, equipment, software, admin.	14,000
RC drilling of 2 holes for 300 metres	19,000
Diamond drilling - 50 metres	10,000
Review, data process, modeling, GIS database, resource estimation	15,000
Land holder liaison & access, compensation, legals, advertising	7,000
Rehabilitation	5,000
Metallurgical - core	25,000
Contractors and employees.	15,000
Total for 2016	110,000
Grand Total	197,000

It is proposed that the drilling program be implemented as soon as practicable.

MILPARINKA – Gold, Platinum, Nickel Project (NSW) – EL 6832 (Expired 6 July 2015)

In order to focus on the Company's other projects, it was decided not to continue exploration at the Milparinka licence (which expired on 6th July 2015).

ASX Listing Rule 5.3.3

The Company presents the following tenement information in Table 5 in accordance with ASX Listing Rule 5.3.3:

Table 5: Tenement Information

Project Name	Location	Tenement Licence	Interest held at 31 March 2015	Interest acquired/disposed of	Interest held at 30 June 2015
Mayfield	NSW	EL6358	51%	N/A	51%
Chakola	NSW	EL5697	100%	N/A	100%
Cowarra*	NSW	EL5939	50%	N/A	50%
Milparinka**	NSW	EL6832	100%	N/A	100%

**As announced on 6 January 2015 Gold Mountain Limited (ASX: GMN) entered into an agreement with CMY to acquire their remaining unearned interest in EL 5939. It is anticipated that this transaction will be finalised in the next quarter.*

*** The licence expired on 6 July 2015.*

CAPITAL MINING LIMITED



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Statements contained in this report relating to exploration results and mineral resources 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. 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Capital Mining Limited

ABN

69 104 551 171

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(139) - - (144)	(210) - - (739)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(283)	(949)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	20 - -
1.10	Loans to other entities	-	(500)
1.11	Loans repaid by other entities	-	-
1.12	Other – Refund of tenement bond	-	10
Net investing cash flows		-	(470)
1.13	Total operating and investing cash flows (carried forward)	(283)	(1,419)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(283)	(1,419)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,465
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	50	90
1.17	Repayment of borrowings	-	(42)
1.18	Dividends paid	-	-
1.19	Other – costs of share issue	-	(86)
	Net financing cash flows	50	1,427
	Net increase (decrease) in cash held	(233)	8
1.20	Cash at beginning of quarter/year to date	241	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8	8

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Directors' fees, consulting fees and reimbursement of expenses paid to entities associated with Directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	170

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8	25
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Cash held in BBY Trust Account)	8	216
Total: cash at end of quarter (item 1.22)	8	241

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,329,155,618	1,329,155,618	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	(a) 269,336,524	269,336,524	Exercise price 2 cents	Expiry date 31 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(~~Director~~/Company Secretary)

Date: 31 July 2015

Print name:

Elizabeth Hunt

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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