

CAPITAL MINING LIMITED

ABN 69 104 551 171



12 August 2015

Dear Optionholder

Non-Renounceable Entitlement Offer

Capital Mining Limited (**Company**) is seeking to raise up to \$1.48 million by way of non-renounceable pro rata entitlement offer (**Entitlement Offer**).

Under the Entitlement Offer, the Company will offer shares to eligible shareholders at an issue price of \$0.001 (0.1 cent) each on the basis of 1 new share for every 1 share held at 18 August 2015 (**Entitlement Offer Record Date**). Applications for shares under the Entitlement Offer may only be made by completing the appropriate Application Form accompanying the Prospectus. Acceptances of entitlements under the Entitlement Offer will close on 31 August 2015.

The Entitlement Offer is being made to all shareholders of the Company as at 5.00pm (WST) on the Entitlement Offer Record Date whose registered address is in Australia or New Zealand. As an optionholder in the Company, you are not entitled to participate in the Entitlement Offer unless you exercise some or all of your options into fully paid ordinary shares in the Company and are entered onto the Company's share register before the Record Date. If you wish to participate in the Entitlement Offer in respect of the shares that would be issued to you on exercise of your options, please send an option exercise form, together with a cheque for the relevant exercise price, to the Company Secretary so that it is received prior to the Record Date.

Please contact the Company's share registry, Boardroom Limited, on 1300 737 760 (international +61 2 9290 9600 for a copy of the option exercise form.

The last closing market sale price of the Company's shares on ASX on the last day that trading took place in the shares prior to the date of this letter was \$0.002 (on 7 August 2015).

Indicative Timetable

The indicative timetable for the Offers is as follows:

Event	Date
Lodge prospectus with ASIC, ASX and Appendix 3B with ASX	12 August 2015
Notice sent to Option Holders	12 August 2015
Notice sent to Share Holders	13 August 2015
"Ex" date	14 August 2015

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Event	Date
Record date to determine Entitlement	18 August 2015
Prospectus with Application Form dispatched	20 August 2015
Last day to extend the Offer closing date	26 August 2015
Closing date for acceptances	31 August 2015
Shares quoted on a deferred settlement basis	1 September 2015
Notify ASX of under subscriptions	3 September 2015
Issue of New Shares	7 September 2015
Dispatch of shareholding statements	8 September 2015
Trading of New Shares expected to commence	8 September 2015

Please note that the timetable is subject to change. The Company reserves the right to vary the timetable for the Offer without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. The commencement of quotation of new securities is subject to confirmation from the ASX.

Applicants should consult their brokers or professional advisors in regards to the definition of 'Ex' date and record date to ensure that their entitlements to participate in the Offers are assured.

The Company lodged a Prospectus for the Offers at the ASIC on 12 August 2015. The Prospectus will be mailed to each eligible shareholder on 20 August 2015. Each shareholder's entitlement under the Entitlement Offer will be set out in the Entitlement Offer Application Form that will accompany the Prospectus.

Please note that this letter is not an offer or an invitation to acquire securities or to participate in the Entitlement Offer.

Yours faithfully



Elizabeth Hunt
Company Secretary
Capital Mining Limited