CAPITAL MINING LIMITED

ABN 69 104 551 171

ANNUAL REPORT
2015

CAPITAL MINING LIMITED

Corporate Directory

Directors

Peter Torney	Non-executive Director
Peter Dykes	Non-executive Director (appointed 27 July 2015)
Anthony Dunlop	Non-executive Director (appointed 27 July 2015)
Dr James Ellingford	Non-executive Director (resigned 7 August 2015)
Robert McCauley	Executive Director, Chairman (resigned 5 August 2015)

Company Secretary

Elizabeth Hunt

Principal and Registered Office

Level 11, 216 St George's Terrace, Perth WA 6000

GPO Box 2517, Perth WA 6831

Telephone: 08 9481 0389

Facsimile: 08 9463 6103

Website: www.capitalmining.com.au

Share Registry

Boardroom Pty Limited

GPO Box 3993, Sydney, NSW 2001

Telephone: 02 9290 9600

Auditors

Bentleys (WA) Pty Ltd

Level 1, 12 Kings Park Road

West Perth, WA 6005

Stock Exchange Listing

Listed on the Australian Stock Exchange (ASX)

ASX code: CMY, CMYO

ABN: 69 104 551 171

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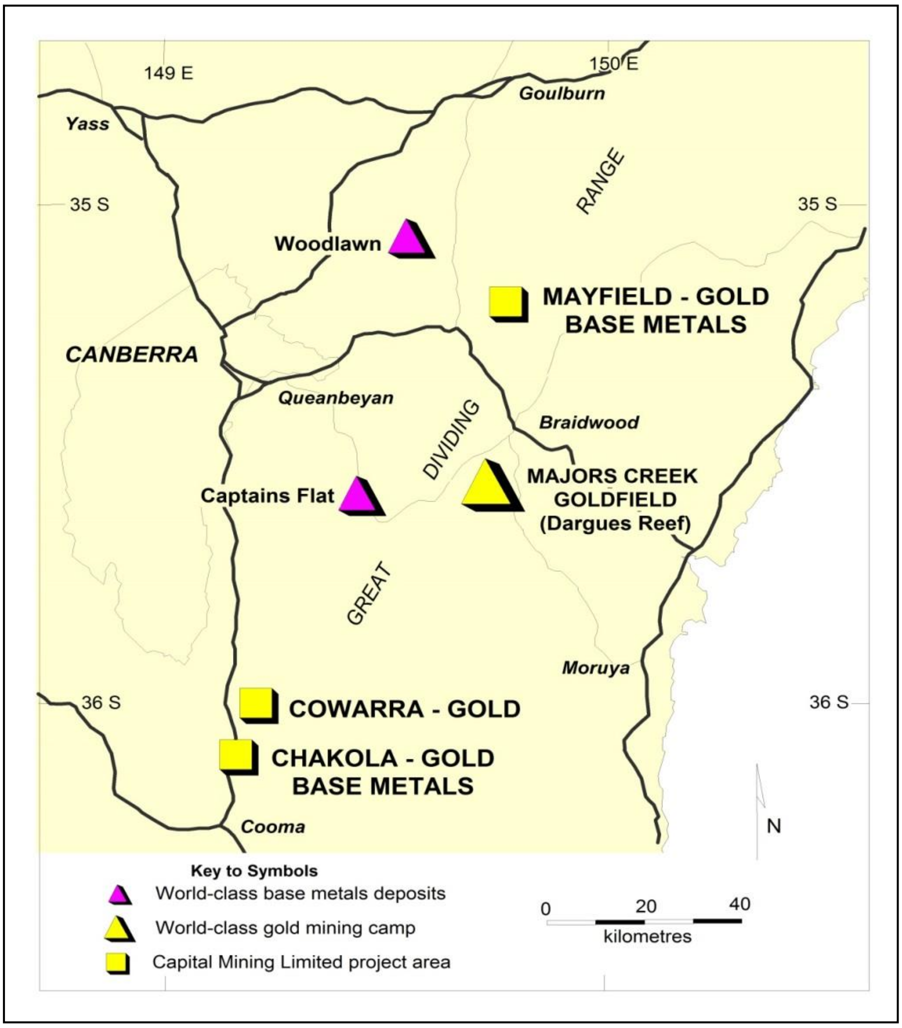
REVIEW OF OPERATIONS

Operations over the past year have been focused on the prospects within the Company's key gold and base metal project areas of Chakola and Mayfield, NSW. The Company's other project areas have either expired or been relinquished.

The Company maintains a 51% interest in the Mayfield gold-copper-base metals joint venture project near Braidwood, NSW. A drilling program at Mayfield has been proposed to extend the known gold and copper resource and will entail approximately 860 metres of RC drilling with the objective of increasing the size of the existing resource by drilling projected extensions of the known mineralisation at depth and along strike.

The Company has 100% interest in the gold and base metals project at Chakola NSW. The licence was renewed for a further term of 2 years until 8 March 2017.



CAPITAL MINING LIMITED
REVIEW OF OPERATIONS

CHAKOLA GOLD AND BASE METALS PROJECT, NSW
EL5697 - 66 km^2
Capital Mining 100%

Exploration in EL5697 is being directed at gold, copper, silver, lead and zinc mineralisation in deposits located along persistent mineralised horizons in altered volcanic host rocks. A gold and base metals resource has been outlined at the Harnett prospect and provides the main impetus for the search for similar deposits within the tenement.

The Harnett Prospect contains a significant gold-base metals sulphide deposit containing:

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 in the Measured, Indicated and Inferred JORC categories. This equates to approximately 31,000 ounces of contained gold, 6,000 tonnes of contained copper and 317,000 ounces of contained silver. A proposal to develop an open cut mine on the deposit with a 5-7 year life has been previously 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 gold and silver 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 gold bearing massive and disseminated sulphide ore along the Stonehenge-Harnett-Driscolls Hill mineralised horizon at depth.

A proposed exploration program would also incorporate enough flexibility to accelerate the program 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.

MAYFIELD GOLD-BASE METALS JOINT VENTURE, NSW
EL6358 – 49 km^2
Capital Mining 51%, Rutila Resources Ltd 46.5% and Roberts Consulting 2.5%

During the year, the Mayfield Exploration Licence (EL6358) was renewed for a further term of 2 years until 23 December 2016.

The Mayfield project covers a significant gold-copper skarn deposit and is located in an exploration "hotspot" close to the world-class Majors Creek gold field near Braidwood, NSW. Capital completed almost 600 metres of drilling in 2012 and confirmed the following resources.

Gold-copper dominant mineralization - ***4.0 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.***

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, 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.

COWARRA – GOLD PROJECT, NSW
EL5939 – 28 km^2
Capital Mining 50%; Commissioners Gold 50%

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 near future.

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 and resource statements under the 2004 edition of the Australian Code for the Reporting of Results, Mineral Resources and Ore reserves (JORC Code 2012) on the basis that the information has not materially changed since it was last reported.

Your Directors present the financial report of the Company and its wholly owned subsidiary Capital Mining International Pty Ltd (together referred to hereafter as "the Group") for the financial year ended 30 June 2015.

The names and details of the Company's directors in office during the financial year and as at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Robert McCauley BSc, MRICS(Aust.UK), MAICD, Chartered Surveyor (Aust.UK), Licensed Surveyor (WA)

Executive Director and Chairman – resigned 5 August 2015

Robert McCauley is a Chartered Surveyor and Management Consultant with over 35 years of experience in the mining, engineering and construction industries with companies such as Worsley Alumina Pty Ltd, Sir Alexander Gibb & Partners (UK), BHP Ltd and Boral Limited on major mining and infrastructure projects including Boddington Gold Mine (WA); Monasavu Hydro Electric Scheme, Fiji and the North West Shelf Liquefied Natural Gas Project (WA).

Mr McCauley was appointed the Executive Chairman & Managing Director of Capital Mining in April 2012. He was appointed Director in November 2004 and was the founding CEO (2006-2010) of Capital Mining Limited. Mr McCauley was instrumental in Capital Mining's successful capital raising and debut on the ASX in March 2007. He was also the founding Managing Director of Commissioners Gold Limited and was pivotal to the successful capital raising & listing of Commissioners Gold on the ASX in September 2011.

He is a graduate of Curtin University, WA; a Member of the Royal Institution of Chartered Surveyors (Aust,UK); a Registered Surveyor and a Licensed Surveyor (WA).

Dr James Ellingford D.Mgt, MBA, Post Grad Corp Man, AICD

Non-Executive Director – resigned 7 August 2015

Dr Ellingford was appointed Non-Executive director on 8 January 2013.

Dr Ellingford's professional life culminated in being President of an international publicly listed billion dollar business with its headquarters in Geneva, Switzerland and New York, USA. He has vast experience in the international arena and has successfully developed close ties with both financial institutions as well as governments throughout the world.

Dr Ellingford holds a Post Graduate in Corporate Management, a Masters in Business Administration as well as a Doctorate in Management. Dr Ellingford also lectures MBA students in Corporate Governance at a leading Sydney University and has a keen interest in ethics and governance.

Dr Ellingford is also currently Non-Executive Chairman of Victory Mines Limited and Dourado Resources Limited.

Peter Torney

Non-Executive Director

Mr Torney was appointed as a Non-Executive director on 11 June 2013.

Mr Torney is a stockbroker with over 10 years experience in the Australian financial services industry during which time he has been involved in a number of successful stockbroking and equity capital markets businesses.

Mr Torney has experience in retail and institutional broking, capital raisings, share placements and initial public offerings in Australia and Asia, as well as assisted in dual listings on the OTCQX (USA).

Prior to entering the Equity market, Mr Torney has been involved in the advertising, real estate, finance, publishing and beef cattle production industries.

Mr Torney has held numerous directorships in both public and private companies. Mr Torney is also a former director of RKS Consolidated Ltd and a current Non-Executive Director of Dourado Resources Limited.

Peter Dykes

Non-Executive Director

Mr Dykes was appointed as a Non-Executive director on 27 July 2015.

Mr Dykes has over 20 years' experience in advising and building ASX-listed companies. He started his career with KPMG in the Taxation Division, later establishing KPMG's Technology Advisory practice in Sydney. There he advised large public and private companies on funding via private equity, government grants and tax incentive programs for research and development. Mr Dykes went on to establish a boutique technology advisory practice, advising many of Australia's largest ASX-listed and foreign corporates – including BHP, Telstra, Boral, General Motors Holden and Ford.

Mr Dykes progressed to executive and board roles with a number of early-stage ASX-listed technology companies, having principally invested in each of these to develop, commercialise and successfully exit. Peter is currently Executive Chairman of ASX listed diversified investment company Chapmans Limited (ASX:CHP) and non-executive director of Exalt Resources Limited (ASX code: ERD).

Mr Dykes holds a Bachelor of Business (Accounting) from Victoria University (RMIT) and is a Fellow of the Tax Institute of Australia.

Anthony Dunlop

Non-Executive Director

Mr Dunlop was appointed as a Non-Executive director on 27 July 2015.

Mr Dunlop as over 20 years of corporate advisory and investment experience in Australia, the US, Hong Kong and mainland China. Beginning his corporate finance career with ABN AMRO, Mr Dunlop has extensive experience in transaction and portfolio analysis and risk management for both debt and equity structured investments. He has advised numerous ASX-listed and private entities in a wide range of sectors including mobile technology, technical & engineering services, resources, finance and agriculture sectors. Mr Dunlop has a well-established private and public capital network in Australia, Hong Kong and mainland China. Mr Dunlop is active in China outbound and inbound investment with Australian businesses.

Mr Dunlop is an executive director of Chapmans Limited, non-executive director of big data market leader SkyFii Limited (ASX:SKF) and is Chapmans' nominee director for mobile technology commercialisation specialist Digital4ge Pty Ltd.

Mr Dunlop holds a Bachelor of Economics from Macquarie University, and is a Graduate of the Australian Institute of Company Directors (GAICD).

Company Secretary

Elizabeth Hunt BSc, MAcc, GIA (Cert), GAICD

Mrs Hunt has over fifteen years corporate and accounting experience with a particular interest in governance. Mrs Hunt has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management.

Mrs Hunt holds a BSc degree in Sustainable Development and has completed a Master of Accounting, the Governance Institute of Australia Certificate in Governance and Risk Management, and is a Graduate of the Australian Institute of Company Directors.

Mrs Hunt is currently also Company Secretary of a number of other ASX listed entities.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2015 are set out in the table below. Between the end of the financial year and the date of this report, there has not been any subscriptions for shares.

30 June 2015

Director	Shares Directly and Indirectly Held	Options
Robert McCauley*	3,915,570	978,890
James Ellingford**	-	-
Peter Torney	-	-
Peter Dykes***	-	-
Anthony Dunlop***	-	-

*Mr McCauley resigned on 5 August 2015.

**Dr Ellingford resigned on 7 August 2015.

***Mr Dykes and Mr Dunlop were appointed as Non-Executive Directors on 27 July 2015.

Principal Activities

The continuing principal activity of the Company is the exploration for economic deposits of minerals.

Corporate Governance Statement

The Company has disclosed its Corporate Governance Statement on the company website at www.capitalmining.com.au.

Operating and financial review

<u>Operations review</u>

Details on the Group's exploration projects are included in the Review of Operations on page 3.

<u>Results</u>

The net result of operations after applicable income tax expense was a loss of $4,190,433 (2014: $5,340,135). At 30 June 2015 funds available totalled $7,735 (2014: $94).

Dividends

No dividends were paid or proposed during the period.

Corporate Structure

Capital Mining Limited is a company limited by shares and incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange under the code "CMY". On 24 February 2014, the Company incorporated a wholly own subsidiary, Capital Mining International Pty Ltd.

Capital Mining International Pty Ltd was de-registered on 7 January 2015.

Employees

The Company had no employees as at 30 June 2015. The Company uses contract geologists and other consultants as required.

Significant Changes in State of Affairs

The following significant changes in the state of affairs occurred during the year:

- On 1 September 2014 the following Company options expired
  - (i) 3,000,000 options exercisable at $0.04
  - (ii) 2,000,000 options exercisable at $0.06
  - (iii) 1,500,000 options exercisable at $0.08

Significant Changes in State of Affairs (continued)

- On 5 September 2014 the Company announced that it had withdrawn from the agreement to acquire Cambodian tenements from Indochine Resources Pty Limited.
- On 19 September 2014 the Company announced that it had issued 97,340,907 ordinary fully paid shares as part of the placement raising $265,000 in cash.
- On 30 September 2014 the Company's shareholders approved all the resolutions as per Notice of Meeting announced on 27 August 2014.
- On 7 October 2014 the Company announced that it had signed Memorandum of Understanding (MoU) for potential investment and acquisition of 35% of Chinese Cloud-based learning and education platform HexStudy. On signing of MoU, the Company paid a $50,000 option fee as part of the acquisition agreement. The Company also advised that in the event that the acquisition of an interest proceeds, the acquisition will constitute a change in the nature and scale of the Company's activities from mining exploration to both mining exploration and a supplier of Cloud-based education upon which the Company will be required, pursuant to Listing Rule 11.1.2, to obtain shareholder approval and pursuant to Listing Rule 11.1.3, to recomply with Chapters 1 and 2 of the Listing Rules.
- On 15 October 2014 the Company announced that it had engaged BBY Limited to initiate the research coverage for the HexStudy project announced on 7 October 2014.
- On 27 October 2014 the Company announced amendment for the Company's Executive Director and Chief Executive Officer's remuneration.
- On 11 November 2014 the Company announced that it has entered discussions with Joint Venture partner, Gold Mountain Limited (ASX: GMN), formerly Commissioners Gold Limited to dispose its remaining interest in the Cowarra Gold Project (EL 5939).
- On 6 January 2015 the Company announced that it has entered into an agreement with Gold Mountain Limited (ASX: GMN), formerly Commissioners Gold Limited to dispose its remaining interest of EL 5939 Cowarra Gold Project. GMN has paid a security deposit of $20,000 and a further $20,000 is payable as final settlement upon completion of the registration of transfer with the NSW Department of Trade and Investments, Resources and Energy.
- On 7 January 2015 the Company deregistered its wholly owned subsidiary, Capital Mining International Pty Ltd.
- On 4 February 2015 the Company announced that it had withdrawn from the Memorandum of Understanding to acquire up to 35% of the shares in Beijing Xiangang Zhiyuan Technology Co. Ltd. The Company was unable to complete satisfactory due diligence on the acquisition and consequently terms of the associated capital raising were not settled.
- On 12 February 2015 the Company announced the completion of $2.154 million placement. The placement comprises of $1.2 million cash subscriptions and $954,000 creditor payments. The cash will be used for general working capital, current projects, business development and consultancy fees. The issue of Shares to creditors preserves the Company's cash.
- On 9 March 2015 the Company announced pursuant to the terms of a binding Heads of Agreement dated 4 March 2015, the Company intends to acquire up to 49% of a Canadian licensed grower, manufacturer and distributor of medical cannabis products, Broken Coast Cannabis Ltd (BCC) and 100% of a company that specializes in commercial Cannabis development with an emphasis of Global Legislature, Cannan Growers Inc. (CGI). Upon execution of the BCC agreement CMY will loan CAD$500,000 to BCC, the loan will be unsecured and to be repaid in 12 months' time or converted to shares in BCC.
- On 18 March 2015 the Company announced its continuing investment in the medical cannabis and hemp based products sector with the proposed acquisition of United States based Nutrawex Inc., a company focused on the development and production of hemp related products and cannabinoid science.
- On 17 April 2015 the Company announced that it has entered into a non-binding proposal to acquire 100% of Cannabinoid Extracts Australia Pty Ltd (CEA) from Essential Oils of Tasmania Pty Ltd . The proposed acquisition of CEA is in line with Company's strategy of becoming a turnkey market leader in medical cannabis and hemp based products with expertise to achieve the entire product value chain. The terms of CEA proposal were non-binding and subject to final agreement.

Significant Changes (continued)

- On 15 May 2015 the Company announced change of its share registry's address.
- On 21 May 2015 the Company announced the varied proposed acquisition agreement terms with Broken Coast Cannabis (BCC) where the Company is to be granted an exclusive one-year option to increase the 24%stake that it will acquire upon completion of BCC agreement from 24% to 50.1% for an additional CAD $14 million. Upon exercise of the option the board of BCC will increase to 6 members, of which the Company will have the right to appoint up to 50% of members. The Company also announced that it had withdrawn its interest in the proposed acquisition of Cannabinoid Extracts Australia Pty Ltd as announced on 17 April 2015, as the Company will focus on its proposed acquisitions in Canada and North America.

The Company has continued with its business during the year as detailed above in the Review of Operations and other parts of this report.

Going Concern

Refer to Note 1 in the Notes to the Consolidated Accounts.

Matters Subsequent to the End of the Financial Period

There were at the date of this report no matters or circumstances which have arisen since 30 June 2015 that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, except as set out below:

(a) On 20 July 2015 the Company announced that it has terminated the proposed transactions with Broken Coast Cannabis Ltd and Cannan Growers Inc on the basis that certain conditions precedent were not capable of being satisfied.

(b) On 21 July 2015 the Company announced that it has terminated its agreement with Nutrawerx Inc.

(c) On 27 July 2015 the Company announced the appointments of Mr Peter Dykes and Mr Anthony Dunlop as Non-Executive Directors of the Company.

(d) On 28 July 2015 the Company announced $77,500 investment by Chapmans Limited into Capital Mining Limited via the issue of 155 million fully paid ordinary shares at $0.0005 per share.

(e) On 29 July 2015 the Company announced that it has entered into a loan deed with a private lender for a facility of $1,000,000 that is secured against all of the assets of the Company. The Company drew down the first $260,000 in August 2015 with the balance of $740,000 being available to be drawn down at the discretion of the lender following the written request by the Company.

The term of the loan is 15 months from the date of first drawdown at 10% interest per annum, with 5% fee being deducted by the lender on each drawdown made by the Company.

(f) On 31 July 2015 the Company announced a non-renounceable entitlement offer to shareholder at an issue price of $0.001 on the basis of 1 new share for every 1 share held to raise approximately $1.48 million before costs.

(g) On 5 August 2015 the Company announced Robert McCauley's resignation as Executive Director and CEO of the Company.

(h) On 7 August 2015 the Company announced Dr James Ellingford's resignation as Non-Executive director of the Company.

(i) On 12 August 2015 the Company announced the appointment of Chapmans Limited as underwriters of a non-renounceable entitlement offer announced on 31 July 2015.

(j) On 13 August 2015 the Company announced Notice of General meeting to be held on 15 September 2015, including a resolution seeking shareholder approval for the consolidation of Company's issued capital.

(k) On 13 August 2015 the Company issued a Non-Renounceable Entitlement Offer Prospectus to eligible shareholders seeking to raise up to $1.48 million at an issue price of $0.001 (0.1 cents) each on the basis of 1 new share for every 1 share held.

(l) On 11 September 2015 the Company announced that 485 million shares have been issued, representing part of the shortfall to the non-renounceable entitlement offer pursuant to the Prospectus.

(m) On 14 September 2015 the Company announced that 664 million shares have been issued, representing final issue of the shortfall to the non-renounceable entitlement offer pursuant to the Prospectus.

Likely Developments and Expected Results

As the Company's areas of interest are still at the exploration stage, it is not possible to comment on likely developments and any expected results. The Company is looking to identify other precious and base metal exploration targets.

Share Options

Details of unlisted shares or interests of Capital Mining Limited under option at the date of this report is nil as 6,500,000 unlisted $0.04, $0.06 and $0.08 options expired on 1 September 2014.

Details of listed shares or interest of Capital Mining Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
Brought forward 1 July 2014	31 December 2016	$0.02	269,336,524
Total			**269,336,524**

The holders of these options do not have any rights under the options to participate in any share issue of the company or of any other entity.

Remuneration Report - Audited

The remuneration report is set out under the following main headings:

(a) Policy used to determine the nature and amount of remuneration

(b) Key management personnel

(c) Details of remuneration

(d) Cash bonuses

(e) Share-based payment bonuses

(f) Option and rights granted as remuneration

(g) Equity instruments issued on exercise of remuneration options

(h) Value of options to key management personnel and executives

(i) Service contracts

(j) Share options

(k) Options and rights holdings

(l) Loans to key management personnel

(m) Other transaction and balances

(a) Policy used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

(a) Policy used to determine the nature and amount of remuneration (continued)

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources. Key Management Personnel's remuneration is not linked to the Company's performance due to the nature of the Company's activities.

Fees and payments to the non-executive directors and key management personnel reflect the demands which are made on, and the responsibilities of, the directors and the key management personnel. Such fees and payments are reviewed annually by the Board.

(b) Key management personnel

The following persons were key management personnel of Capital Mining Limited during the financial year:

Name	Position held
Peter Torney	Non-Executive Director
Robert McCauley*	Executive Chairman & CEO
Dr James Ellingford**	Non-Executive Director

*Robert McCauley resigned on 5 August 2015.
** Dr James Ellingford resigned on 7 August 2015.

Other than directors, there are no other officers or personnel who satisfy the definition of "Key Management Personnel" who are or were involved in, concerned with, or who take part in, the management of the affairs of Capital Mining Limited.

(c) Details of remuneration

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The board determines actual payments to directors and reviews their remuneration annually, based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors.

Details of the nature and amount of each element of the remuneration of each of the directors of Capital Mining Limited and each of the three Key Management Personnel of the Company who are entitled to or have received the highest emoluments during the year ended 30 June 2015 are set out in the following tables.

2015			Post-employment benefits	Long-term benefits		Share based payments			
	Salary, Directors and consulting fees $	Non monetary benefits $	Super-annuation $	Long service leave $	Termination benefits $	Options $	Total $	Proportion of remuneration that is performance based %	% of Value of remuneration that consists of options %
R McCauley* (ii)	23,064	-	2,231	-	-	-	25,295	-	-
J Ellingford**	100,000	-	9,500	-	-	-	109,500	-	-
P Torney	24,000	-	2,280	-	-	-	26,280	-	-
Total key management personnel compensation	147,064	-	14,011	-			161,075	-	-

*Mr McCauley resigned on 5 August 2015.
**Dr Ellingford resigned on 7 August 2015.
(i) Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt is a director, was paid or due to be paid $153,791 for company secretarial, accounting and bookkeeping services.
(ii) Mr McCauley's directors' fees and superannuation contributions for the period 1 July 2014 to 28 February 2015 were forgiven by Mr McCauley and written-off by the Company. Directors' fees amounts forgiven by the director totalled $39,542 (exclusive of applicable GST) and superannuation contribution written-off pertaining to director's fees written-off totalled $3,550.

(c) Details of remuneration (continued)

2014			Post-employment benefits	Long-term benefits		Share based payments			
	Salary, Directors and consulting fees $	Non monetary benefits $	Super-annuation $	Long service leave $	Termination benefits $	Options $	Total $	Proportion of remuneration that is performance based %	% of Value of remuneration that consists of options %
R McCauley	137,174	-	12,689	-	-	-	149,863	-	-
J Ellingford	100,000	-	9,250	-	-	-	109,250	-	-
P Torney	56,000	-	5,180	-	-	-	61,180	-	-
Total key management personnel compensation	293,174	-	27,119	-			320,293	-	-

(i) Mining Corporate Pty Ltd, a company of which the Company Secretary, Mrs Elizabeth Hunt is a director, was paid or due to be paid $118,843 for company secretarial, accounting and bookkeeping services.

There were no share based payment arrangements in existence with key management personnel during the year (2014: Nil).

(d) Cash bonuses

No cash bonuses were paid to directors or key management personnel during the financial year.

(e) Share-based payment bonuses

No shares or options were issued to directors or key management personnel during the financial year.

(f) Options and rights granted as remuneration

No options or rights were granted to directors or key management personnel as remuneration during the 2015 financial year.

(g) Equity Instruments issued on exercise of remuneration options

No equity instruments were issued to directors or key management personnel during the 2015 financial year.

(h) Value of options to key management personnel and executives

There were no options granted, exercised or lapsed to key management personnel and executives as part of their remuneration during the financial year.

(i) Service contracts

Remuneration and other terms of employment for the directors and key management personnel are formalised in Service/Appointment agreements. All contracts with the key management personnel may be terminated by either party with the required number of months notice and applicable termination payments as stipulated in the employment agreements.

Robert McCauley

In terms of an Executive Employment Agreement as updated and announced on 27 October 2014, Robert McCauley's remuneration was adjusted to $42,000 per annum (inclusive of SGC superannuation) for his services as Executive Director and Chief Executive Officer effective from 1 October 2014. In summary, Robert J McCauley and Associates and Robert McCauley received or was due to receive payments totalling $23,064 for the financial year ended 30 June 2015. Mr McCauley resigned on 5 August 2015.

Dr James Ellingford

By letter of appointment dated 18 July 2013, for Non-Executive Director role, Dr James Ellingford Directors' Fees increased from $72,000 per annum to $100,000 per annum (exclusive of SGC Superannuation). Dr Ellingofrd has agreed to receive a termination payment equivalent to six months salary, in lieu of twelve months salary otherwise due under his agreement. Dr Ellingford resigned on 7 August 2015.

Peter Torney

By letter of memorandum and Board of Directors' circular resolution dated and agreed on 19 February 2014, Mr Torney's Directors' Fees decreased to $24,000 per annum (exclusive of SCG Superannuation). The notice terms for the termination of Mr Torney's contract by either party are standard. Mr Torney's salary increased to $48,000 per annum (exclusive of SGC Superannuation) effective from 1 August 2015.

(j) Share Options

During the year the company had granted no options to directors (2014: Nil).

(k) Shares, Options and Rights Holdings

Shareholdings

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

30 June 2015 Name	Balance at 1 July 2014	Granted as compen-sation	Options Exercised	Other changes	Balance at 30 June 2015	Total vested at 30 June 2015	Total vested and exercisable at 30 June 2015	Total vested and unexercis-able at 30 June 2015
R McCauley	978,890	-	-	-	978,890	978,890	978,890	-
J Ellingford	-	-	-	-	-	-	-	-
P Torney	-	-	-	-	-	-	-	-
	978,890	-	-	-	978,890	978,890	978,890	-

30 June 2014 Name	Balance at 1 July 2013	Granted as compen-sation	Options Exercised	Other changes	Balance at 30 June 2014	Total vested at 30 June 2014	Total vested and exercisable at 30 June 2014	Total vested and unexercis-able at 30 June 2014
R McCauley	978,890	-	-	-	978,890	978,890	978,890	-
J Ellingford	-	-	-	-	-	-	-	-
P Torney	-	-	-	-	-	-	-	-
	978,890	-	-	-	978,890	978,890	978,890	-

(k) Shares, Options and Rights Holdings (continued)

Options and Rights Holdings

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

30 June 2015 Name	Balance at 1 July 2014	Granted as compensation	Other changes	Balance at 30 June 2015	Balance held nominally
R McCauley	3,915,570	-	-	3,915,570	3,915,570
J Ellingford	-	-	-	-	-
P Torney	-	-	-	-	-
	3,915,570	-	-	3,915,570	3,915,570

30 June 2014 Name	Balance at 1 July 2013	Granted as compensation	Other changes	Balance at 30 June 2014	Balance held nominally
R McCauley	3,915,570	-	-	3,915,570	3,915,570
J Ellingford	-	-	-	-	-
P Torney	-	-	-	-	-
	3,915,570	-	-	3,915,570	3,915,570

Directors and key management personnel interests in shares and options includes holdings in their names and in the names of director or key management personnel related entities. Options included in directors' and key management personnel remuneration is treated as follows:

Fair values have been assessed using the Black and Scholes option valuation methodology which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the options, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. No discount has been applied.

(l) Loans to key management personnel

There are no loans made by the company to key management personnel or their related parties.

(m) Other transactions and balances

At the end of the financial year, an amount of $4,403 (2014: $4,243) was owing from the Company to J Ellingford. This amount is non-interest bearing, and has no fixed terms of repayment.

Consulting services

No benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts and the Remuneration Report.

End of Remuneration Report

Share Capital and Options

A detailed breakdown of the company's capital, including options and convertible instruments is contained in Note 12 to the Consolidated Accounts.

Meetings of Directors

Director's attendance at Directors meetings are shown in the following table:

Director	Meetings Eligible to Attend	Meetings Attended
Robert McCauley	15	14
Dr James Ellingford	15	15
Peter Torney	15	14

The Company has established an Audit Committee which consists of two Non- Executive Directors, Dr James Ellingford and Peter Torney. The Audit Committee reviews the Company's financial systems, accounting policies, half-year and annual financial statements at appropriate times and then makes their recommendation to the Board. There was one Audit Committee meeting held during the financial year ended 30 June 2015.

The Company's Remuneration Committee consists of two Non-Executive Directors, Dr James Ellingford and Peter Torney. There were no Remuneration Committee meetings held during the financial year ended 30 June 2015.

Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Insurance Premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Diversity Policy

Even though Capital Mining Limited does not yet have a defined Diversity Policy it recognises its talented and diverse workforce as a key competitive advantage and believes in treating all people with dignity and respect. Capital Mining Limited strives to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the company, regardless of their differences. It is committed to employing the *best* people to do the *best* job possible irrespective of ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

	2015		**2014**	
	No.	**%**	**No.**	**%**
Women on the Board	-	-	-	-
Women in senior management roles	1	-	1	-
Women employees in the company	1	-	1	-

Non–Audit services

No non-audit services were provided by the auditor to the Company during the year.

Environmental Performance

Capital Mining Limited holds exploration licences issued by the Mines Departments of two state governments (NSW and SA) which specify guidelines for minimising and mitigating environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the various Mines Departments' guidelines and standards. There have been no significant known breaches of the licence conditions.

Proceedings on Behalf of the Company

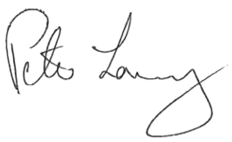
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act* 2001 is set out and located after the Directors' Declaration and forms part of this report.

Signed at Sydney this 29th day of September 2015 in accordance with a resolution of the Directors.



Peter Torney

Director

CAPITAL MINING LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2015

	Note	2015	2014
		$	$
Other Income	2	**55,347**	40
			-
Administration expenses		**(1,143,554)**	(1,817,509)
Consultant expenses		**(620,824)**	(1,658,900)
Depreciation expense	8	**(178)**	(203)
Exploration expenditure written-off		**(369,141)**	(1,318,752)
Salaries and employee benefits expense		**(194,528)**	(336,503)
Provision for diminution in value of investments		**(1,066)**	(13,859)
Travel and accommodation		**(135,378)**	(148,013)
Loss on disposal of exploration asset	9b)	**(639,900)**	-
Pre-acquisition costs	10	**(954,394)**	-
Other expenses		**(186,817)**	(46,436)
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**(4,190,433)**	(5,340,135)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	3	**-**	-
LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		**(4,190,433)**	(5,340,135)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period net of tax		**-**	-
TOTAL OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS OF CAPITAL MINING LIMITED		**(4,190,433)**	(5,340,135)
Basic and diluted loss per share (cents per share)	14	**(0.43)**	(0.94)

The accompanying notes form part of these financial statements

CAPITAL MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash assets	5	**7,735**	94
Trade and Other Receivables	6	**166,408**	37,362
Financial Assets	4	**3,199**	4,264
TOTAL CURRENT ASSETS		**177,342**	41,720
NON-CURRENT ASSETS			
Tenement security deposits	7	**45,000**	85,000
Plant and equipment	8	**1,233**	1,411
Deferred exploration and evaluation expenditure	9	**1,409,118**	2,405,661
TOTAL NON-CURRENT ASSETS		**1,455,351**	2,492,072
TOTAL ASSETS		**1,632,693**	2,533,792
CURRENT LIABILITIES			
Trade and Other Payables[1]	11	**1,191,065**	552,808
TOTAL CURRENT LIABILITIES		**1,191,065**	552,808
TOTAL LIABILITIES		**1,191,065**	552,808
NET ASSETS		**441,628**	1,980,984
EQUITY			
Issued capital	12	**14,410,056**	11,758,979
Accumulated losses		**(14,255,254)**	(10,064,821)
Reserves	13	**286,826**	286,826
TOTAL EQUITY		**441,628**	1,980,984

The accompanying notes form part of these financial statements

[1] The Company is disputing $706,258 of trade creditors.

CAPITAL MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 June 2015

	Note	**2015** **$**	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		**(858,246)**	(332,171)
Interest received		**-**	40
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	21	**(858,246)**	(332,131)
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditure on mining interests (exploration)		**(9,921)**	(227,393)
Pre-acquisition costs		**(704,394)**	-
Proceeds from sale of tenement		**20,000**	-
Refund from prospects (tenement)		**10,000**	-
Borrowing / Loans from other entities		**98,370**	6,149
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(585,945)**	(221,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		**1,465,010**	603,409
Equity raising expenses		**(13,178)**	(49,949)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,451,832**	553,460
Net increase/(decrease) in cash held		**7,641**	85
Add opening cash brought forward		**94**	9
CLOSING CASH	5	**7,735**	94

The accompanying notes form part of these financial statements

CAPITAL MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 June 2015

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	$	$	$	$
AT 1 JULY 2013	7,805,617	(4,724,686)	286,826	3,367,757
Loss for the period	-	(5,340,135)	-	(5,340,135)
Total Comprehensive Loss	-	(5,340,135)	-	(5,340,135)
Issue of share capital	4,038,409	-	-	4,038,409
Capital raising costs	(85,047)	-	-	(85,047)
AT 30 JUNE 2014	**11,758,979**	**(10,064,821)**	**286,826**	**1,980,984**
AT 1 JULY 2014	11,758,979	(10,064,821)	286,826	1,980,984
Loss for the period	-	(4,190,433)	-	(4,190,433)
Total Comprehensive Loss	-	(4,190,433)	-	(4,190,433)
Issue of share capital	2,738,055	-	-	2,738,055
Capital raising costs	(86,978)	-	-	(86,978)
AT 30 JUNE 2015	**14,410,056**	**(14,255,254)**	**286,826**	**441,628**

The accompanying notes form part of these financial statements

CAPITAL MINING LIMITED

NOTES TO THE CONSOLIDATED ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Capital Mining Limited and Controlled Entities (the “Company”). Capital Mining is public Company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 29 September 2015 by the directors of the Company.

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report is presented in Australian dollars.

The financial report has been prepared on accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Principles of Consolidation

A controlled entity is an entity over which Capital Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have be included (excluded) from the date control was obtained (ceased). On 24 February 2014, Capital Mining Limited incorporated a wholly owned subsidiary Capital Mining International Pty Ltd. On 7 January 2015 Capital Mining International Pty Ltd was voluntarily de-registered.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

This financial report has been prepared based on AIFRS.

(c) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the year of $4,190,433 (2014: $5,340,135) and net cash outflows from operating and investing activities of $1,444,191 (2014: $553,375).

As at 30 June 2015, the Consolidated Entity had a working capital deficit of $1,013,723 (2014: $511,088). Included in this working capital deficit is $706,258 of trade creditors in dispute, which the directors are confident that negotiations will be finalized and invoices withdrawn by creditors (refer to Note 17).

During the year the Board's primary focus was on a number of proposed investment opportunities, which were eventually withdrawn from. The Board is currently refocusing its activities to its existing exploration projects.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

On 29 July 2015 the Consolidated Entity entered into a loan deed with a private lender for a secured facility of $1,000,000. Of this facility, $260,000 was drawn down in August 2015, and is repayable 15 months from this date at 10% interest per annum. The remaining amount of the facility is available to the Company by providing written notice to the lender.

On 31 July 2015 the Company announced a non-renounceable entitlement offer to shareholder at an issue price of $0.001 on the basis of 1 new share for every 1 share held to raise approximately $1.48 million before costs. This was subsequently fully underwritten by Chapmans Limited on 12 August 2015.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(d) Property, plant and equipment

Items of plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment	40.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Borrowing costs

All borrowing costs are recognised as expense in the period in which they are incurred.

(f) Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

(h) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(m) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
All revenue is stated net of the amount of goods and services tax (GST).

(n) Income tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;

b) less principal repayments;

c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- Financial assets at fair value through profit and loss

(p) Financial Instruments (continued)

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

- Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

- Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

- Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(q) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(r) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.
Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(r) Fair Value of Assets and Liabilities (continued)

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(s) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(g).

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 15.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model, or the quoted bid price where applicable.

(t) New accounting standards for application in the current period

The Australian Accounting Standards Board (AASB) has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods, and which the company has decided not to adopt at this time, but will do as they became mandatory. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

Note that the following new Standards and Interpretations are not applicable for the Group but are relevant for the period: AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' is not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards. AASB 1056 'Superannuation Entities' is not applicable to the Group as the Group is not a superannuation entity. AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities' is not applicable to the Group as the Group is a for-profit entity.

2. OTHER INCOME	2015 $	2014 $
Interest received – other persons/corporation	**-**	40
Forgiveness of debt	**326,797**	-
	326,797	40

*The Company received discount on amounts owed as creditors forgave the balance due and payable by the Company.

3. INCOME TAX	2015 $	2014 $
(a) Income tax expense		
Current tax	**-**	-
Deferred tax	**-**	-
Income tax as reported in the statement of comprehensive income	**-**	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Losses from continuing operations before income tax expense	**(4,190,433)**	(5,340,135)
Tax at the Australian tax rate of 30%	**(1,257,130)**	(1,602,041)
Increase in income tax due to:		
Non-deductible expenses	**659,767**	1,057,924
Current period tax losses not recognised	**190,156**	219,946
Movement in unrecognised temporary differences	**412,670**	330,983
Tax losses and deductible temporary differences not recognised	**-**	-
Decrease in income tax expense due to:		
Deductible equity raising costs	**(2,500)**	(6,812)
Non-assessable income	**(2,963)**	-
Income tax attributable to operating loss	**-**	-
(c) Recognised deferred tax assets		
Tax losses	**398,179**	712,316
Accruals	**20,655**	5,984
Plant & Equipment	**-**	-
Previously Expensed Blackhole Costs	**3,902**	3,398
Total	**422,735**	721,698
Less: Set off of deferred tax assets	**422,735**	721,698
Net deferred tax liabilities	**-**	-
(d) Recognised deferred tax liabilities		
Exploration Expenditure	(422,735)	(721,698)
Prepayments	-	-
Total	(422,735)	(721,698)
Less: Set off of deferred tax assets	422,735	721,698
Net deferred tax liabilities	-	-

3. INCOME TAX (continued)

	2015 $	2014 $
(e) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%		
Deferred tax assets have not been recognised in respect of the following (30%):		
Deductible Temporary Differences	64,790	83,428
Tax Revenue Losses	2,193,419	1,689,126
Tax capital losses	-	-
Total Unrecognised deferred tax assets (30%)	2,258,209	1,772,554

No provision for income tax is considered necessary in respect of the Company for the year ended 30 June 2015.

Deferred tax assets have not been recognised on the basis it is not probable the Company will make taxable profits in the near future.

No franking credits are available for subsequent years.

Tax consolidation

The Tax Consolidation scheme is not applicable to the Company.

4. FINANCIAL ASSETS HELD FOR TRADING

	2015 $	2014 $
Fair value of shares in ASX listed companies	**3,199**	4,264

The Company holds shares in Victory Mines Limited (VIC.ASX), a listed public company. The investments are classified as level 1 in the fair value hierarchy.

5. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at Bank	**7,735**	94
	7,735	94

6. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Refund for GST paid	**114,590**	13,362
Other receivables	**51,818**	-
Prepayments	**-**	24,000
	166,408	37,362

There are no receivables which are past due & not impaired.

7. TENEMENT SECURITY DEPOSITS

	2015 $	2014 $
Cash with government mines department. These deposits are restricted and available for any rehabilitation that may be required on exploration tenements (refer to Note 19)	**45,000**	85,000

8. PLANT AND EQUIMENT

	2015 $	2014 $
Plant, motor vehicle and equipment – at cost	**7,725**	7,725
Accumulated depreciation	**(6,492)**	(6,314)
	1,233	1,411
Reconciliation of the carrying amount of plant, motor vehicle and equipment at the beginning and end of the current and previous financial year		
Carrying amount at beginning	**1,411**	1,614
Additions	**-**	-
Disposals	**-**	
Depreciation expense	**(178)**	(203)
	1,233	1,411

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2015 $	2014 $
Costs brought forward	**2,405,661**	3,497,019
Costs incurred during the year	**52,498**	227,394
Costs written off during the year (a)	**(369,141)**	(1,318,752)
Exploration expenditure disposed during the year (b)	**(679,900)**	-
Costs carried forward	**1,409,118**	2,405,661

(a) During the year, the Company relinquished its Milparinka and Craigie project tenements resulting in an impairment loss of $369,141.

(b) During the year, the Company disposed of its interest in Cowarra tenement project. The agreement for the sale was executed on 31 December 2014. The proceeds receivable on disposal are $40,000 resulting in the net loss of $639,900. $20,000 deposit for the sale was received by the Company on 5 January 2015, with the remainder to be paid following registration of the transfer.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

10. PRE-ACQUISITION COSTS

Pre-acquisition costs incurred during the year related to all spending by the Company in aiming to complete the following acquisitions:

1. Acquisition of Cambodian mining tenements from Indochine Resources Pty Limited.
2. Acquisition of the cloud-based Hexstudy learning platform.
3. Acquisition of interests in Canadian medical marijuana and other related operations*

*Included in the costs in relation to these acquisitions was a loan issued to the vendor of $500,000 as part of a binding heads of agreement. The loan is unsecured, non-interest bearing and for a term of 12 months to 4 March 2016.
As part of the repayment terms, $250,000 of the amount was forgiven and treated as a cost of the acquisition. Given the termination of the acquisition and continued assessments by the Directors, the recoverability of the remaining amount has been assessed as doubtful and expensed.

11. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade creditors *	**984,313**	526,066
Accrued expenses	**47,675**	12,051
Payroll liabilities	**22,364**	8,541
Other	**136,713**	6,150
	1,191,065	552,808

* The Company is disputing $706,258 of trade creditors as described in Note 17.

12. ISSUED CAPITAL

	2015 $	2014 $
Share capital		
1,329,155,618 ordinary shares fully paid	**14,410,056**	11,758,979

(a) Movements in ordinary share capital	Date	Number of shares	Issue price	$
1 July 2013 to 30 June 2014				
Balance b/fwd	01-07-13	326,946,044	-	7,805,617
Shares issued from a placement	12-07-13	51,250,000	$0.008	410,000
Shares issued from a placement	17-07-13	7,500,000	$0.008	60,000
Shares issued from a placement	22-07-13	5,000,000	$0.008	40,000
Shares issued to a vendor	02-09-13	30,464,604	$0.010	304,646
Shares issued from a placement	08-10-13	37,533,333	$0.012	450,400
Shares issued to a vendor	14-10-13	19,535,397	$0.010	195,353
Shares issued from a placement	14-10-13	57,833,333	$0.012	694,000
Shares issued from a placement	14-10-13	1,000,000	$0.009	9,000
Shares issued from a placement	06-12-13	70,550,000	$0.012	846,600
Shares issued from a placement	06-12-13	4,033,334	$0.012	48,400
Shares issued from a placement	14-02-14	81,666,666	$0.012	980,000
Shares issued from prospectus	18-06-14	1,000	$0.010	10
Less: Transaction costs arising from issue of shares		-		(85,047)
Balance as at 30 June 2014		**693,313,711**		**11,758,979**

Movements in ordinary share capital	Date	Number of shares	Issue price	$
1 July 2014 to 30 June 2015				
Balance b/fwd	01-07-14	693,313,711	-	11,758,979
Shares issued from a placement	19-09-14	97,340,907	$0.006	584,045
Shares issued from a prospectus	16-10-14	1,000	$0.010	10
Shares issued from a placement	13-02-15	500,000,000	$0.004	2,000,000
Shares issued	13-02-15	38,500,000	$0.004	154,000
Less: Transaction costs arising from issue of shares		-		(86,978)
Balance as at 30 June 2015		**1,329,155,618**		**14,410,056**

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

12. ISSUED CAPITAL (continued)

Options

The following options are outstanding at balance date.

(b) Movements in Options	Date	Number of Options	Exercise price	Maturity
(i) ASX Listed Options (CMYO)				
1 July 2014 to 30 June 2015				
Brought forward	01-07-14	269,336,524		
Balance as at 30 June 2015		**269,336,524**		

(b) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Refer to Note 1(c) for managements plans to remain a going concern. The working capital position of the Company at 30 June 2015 and 30 June 2014 are as follows:

Working capital position	2015 $	2014 $
Cash and cash equivalents	**7,735**	94
Trade and other receivables	**166,408**	37,362
Financial assets	**3,199**	4,264
Trade and other payables	**(1,191,065)**	(552,808)
Working capital position	**(1,013,723)**	(511,088)

13. RESERVES

Options expense reserve	2015 $	2014 $
Balance at 1 July	**286,826**	286,826
Balance as at 30 June	**286,826**	286,826

14. LOSS PER SHARE

	2015 $	2014 $
Basic loss per share (cents per share)	**(0.43)**	(0.94)
Diluted loss per share (cents per share)	**(0.43)**	(0.94)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**969,276,070**	567,970,234
Loss used in calculating basic and diluted loss per share	**4,190,433**	5,340,135

15. SHARE BASED PAYMENTS

2015

Grant Date/entitlement	Number of Instruments	Grant and Vesting Date	Fair Value at grant date $
Shares issued in lieu of services on 19 September 2014 as approved at AGM	53,174,240	27/11/2014	0.006
Shares issued in lieu of services on 13 February 2015 as approved at AGM	238,500,000	27/11/2014	0.004
Shares issued in lieu of services on 12 July 2013 as approved at GM	45,750,000	06/05/2013	0.008
Shares issued in lieu of services on 22 July 2013 as approved at GM	2,500,000	06/05/2013	0.008
Shares issued in lieu of services on 2 September 2013 as approved at GM	30,464,604	06/05/2013	0.010
Shares issued in lieu of services on 14 October 2013 as approved at GM	19,535,397	17/09/2013	0.010
Shares issued in lieu of services on 14 October 2013 as approved at GM	56,166,666	17/09/2013	0.012
Shares issued in lieu of services on 6 December 2013 as approved at GM	74,583,334	17/09/2013	0.012
Shares issued in lieu of services on 14 February 2014 as approved at AGM	81,666,666	29/11/2013	0.012

16. FINANCIAL REPORT BY SEGMENT

The Company operates predominantly in the one business and in one geographical area, namely Australian mineral exploration and evaluation.

17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Included in the trade creditors balance as at 30 June 2015 is $706,258 of which the directors believe were not contractual and not payable by the Company. The directors are confident that negotiations on these balances will be finalised and the invoices be withdrawn by the respective creditors.

There were no contingent liabilities as at 30 June 2015 (2014: Nil).

18. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The totals of remuneration paid or due to be paid to the KMP of the Company during the period are as follows:

	2015	2014
	$	$
Short-term employee benefits	**147,064**	293,174
Post-employment benefits	**14,011**	27,119
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share based payments	**-**	-
Total Remuneration paid or due to be paid	**161,075**	320,293

Details of other transactions with key management personnel can be found in the remuneration report.

19. COMMITMENTS

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various Mines Departments, the Company will be required to incur exploration expenditure under the terms of each licence.

19. COMMITMENTS (continued)

These expenditure requirements will diminish as the Company joint ventures projects to third parties. It is the Company's exploration strategy to farm-out where appropriate to larger companies to fund drilling programmes. In addition, the Company has commitments to expend funds towards earning or retaining an interest under joint venture agreements.

	2015 $	2014 $
Payable not later than one year	**93,000**	132,805
Payable later than one year but not later than five years	**56,195**	690
	149,195	133,495

It is likely that the granting of new licences and changes in licence areas at renewal, or expiry, will change the expenditure commitment to the Company from time to time.

20. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2015 apart from:

(a) On 20 July 2015 the Company announced that it has terminated the proposed transactions with Broken Coast Cannabis Ltd and Cannan Growers Inc on the basis that certain conditions precedent were not capable of being satisfied.

(b) On 21 July 2015 the Company announced that it has terminated its agreement with Nutrawerx Inc.

(c) On 27 July 2015 the Company announced the appointments of Mr Peter Dykes and Mr Anthony Dunlop as Non-Executive Directors of the Company.

(d) On 28 July 2015 the Company announced $77,500 investment by Chapmans Limited into Capital Mining Limited via the issue of 155 million fully paid ordinary shares at $0.0005 per share.

(e) On 29 July 2015 the Company announced that it has entered into a loan deed with a private lender for a facility of $1,000,000 that is secured against all of the assets of the Company. The Company drew down the first $260,000 in August 2015 with the balance of $740,000 being available to be drawn down at the discretion of the lender following the written request by the Company.

The term of the loan is 15 months from the date of first drawdown at 10% interest per annum, with 5% fee being deducted by the lender on each drawdown made by the Company.

(f) On 31 July 2015 the Company announced a non-renounceable entitlement offer to shareholder at an issue price of $0.001 on the basis of 1 new share for every 1 share held to raise approximately $1.48 million before costs.

(g) On 5 August 2015 the Company announced Robert McCauley's resignation as Executive Director and CEO of the Company.

(h) On 7 August 2015 the Company announced Dr James Ellingford's resignation as Non-Executive director of the Company.

(i) On 12 August 2015 the Company announced the appointment of Chapmans Limited as underwriters of a non-renounceable entitlement offer announced on 31 July 2015.

(j) On 13 August 2015 the Company announced Notice of General meeting to be held on 15 September 2015, where one of the resolutions is seeking shareholder approval for the consolidation of Company's issued capital.

(k) On 13 August 2015 the Company issued a Non-Renounceable Entitlement Offer Prospectus to eligible shareholders seeking to raise up to $1.48 million at an issue price of $0.001 (0.1 cents) each on the basis of 1 new share for every 1 share held.

(l) On 11 September 2015 the Company announced that 485 million shares have been issued, representing part of the shortfall to the non-renounceable entitlement offer pursuant to the Prospectus.

(m) On 14 September 2015 the Company announced that 664 million shares have been issued, representing final issue of the shortfall to the non-renounceable entitlement offer pursuant to the Prospectus.

21. STATEMENT OF CASH FLOWS

	2015 $	2014 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating loss after income tax	**(4,190,433)**	(5,340,135)
Non-cash flows in loss		
Pre-acquisition costs that are classified as investing	**954,934**	-
Other income – forgiveness from creditors	**(55,347)**	-
Depreciation	**178**	203
Impairment of receivables	**75,460**	13,859
Diminuition of investment	**1,066**	-
Exploration costs written off	**369,141**	1,318,752
Share Based Payments	**1,273,045**	3,351,000
(Gain)/Loss on disposal of asset	**639,900**	-
Non operating costs in the movement in payables	**(182,424)**	(42,490)
Change in assets and liabilities:		
(Increase)/decrease in receivables	**(64,046)**	34,218
(Increase)/decrease in prepayments	**24,000**	(24,000)
(Decrease)/increase in trade and other creditors	**296,280**	356,462
Net cash outflow from operating activities	**(858,246)**	(332,131)

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise cash and short term deposits, trade and other receivables, held for trading assets and trade and other payables. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial assets and liabilities such as trade receivable and trade payables, which arise directly from its operations.

It is, and has been throughout the entire period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below. The Board reviews and agrees policies for managing each of these risks.

(a) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value.

No financial assets and financial liabilities are required to be revalued on a recurring basis, other than held for trading financial assets which are listed investments. The company has no financial assets where carrying amount exceeds net fair values at balance date.

(b) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have a material exposure to market risk at present.

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The company's foreign transactions are immaterial and it is not exposed to foreign currency risk at the present time.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(ii) Price Risk

The company's exposure to price risk is nil.

(iii) Interest rate risk exposure

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	2015	2014
Weighted average rate of cash balances	**2.00%**	3.00%
Cash balances	**$7,735**	$94

Bank negotiable certificates of deposit are normally invested for 30-90 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

The company's exposure to the risks of changes in market interest rates relates primarily to the company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the company to cash flow interest rate risk. The company does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit or loss and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Notes	**Floating Interest Rate**		**Non-Interest Bearing**		**Total Carrying Amount**		**Interest Rate Risk**			
								-5%		**+5%**	
		2015	**2014**	**2015**	**2014**	**2015**	**2014**	**Profit**	**Equity**	**Profit**	**Equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets:											
Cash at bank	5	**7,735**	94	**-**	-	**7,735**	94	(387)	(387)	387	387
Trade and other receivables	6	**-**	-	**166,408**	37,362	**166,408**	37,362	**-**	-	**-**	-
Held for trading	4	**-**	-	**3,199**	4,264	**3,199**	4,264	**-**	-	**-**	-
Total		**7,735**	94	**169,607**	41,626	**177,342**	41,720				
Weighted average interest rate		**2.00%**	3.00%								
Financial Liabilities:											
Trade and other payables	10	**-**	-	**(1,191,065)**	(552,808)	**(1,191,065)**	(552,808)	**-**	-	**-**	-
Total		**-**	-	**(1,191,065)**	(552,808)	**(1,191,065)**	(552,808)				
Weighted average interest rate		**2.00%**	3.00%								
Net financial assets (liabilities)		**7,735**	94	**(1,021,458)**	(511,182)	**(1,013,723)**	(511,088)	**-**	-	**-**	-

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

A sensitivity of 5% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates. A 5% sensitivity would move short-term interest rates at 30 June 2015 from around 2.00% to 1.90% representing a 10 basis points shift. With the uncertain financial markets, the current low interest rates are expected to continue, any change would likely to be only a small decrease, and this level of sensitivity would seem reasonable.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the consolidated accounts.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties. Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Company's surplus funds are invested with AA Rated financial institutions.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

The company manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The liabilities are expected to be settled within one year.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Total	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables*	**1,191,065**	552,808	-	-	**1,191,065**	552,808
Total contractual outflows	**1,191,065**	552,808	-	-	**1,191,065**	552,808
Financial assets – cash flows realisable						
Cash and cash equivalents	**7,735**	94	-	-	**7,735**	94
Trade and other receivables	**166,408**	37,362	-	-	**166,408**	37,362
Financial assets	**3,199**	4,264			**3,199**	4,264
Total anticipated inflows	**177,342**	41,720	-	-	**177,342**	41,720
Net outflow on financial instruments	**1,013,723**	511,088			**1,013,723**	511,088

* The Company is disputing $706,258 of trade creditors as described in Note 17..

23. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding*	
			2015	2014
			%	%
Capital Mining International Pty Ltd [(1)]	Australia	Ordinary	-	100

Capital Mining International Pty Ltd was incorporated on 24 February 2014 with Capital Mining Limited as the sole shareholder. Capital Mining International Pty Ltd was de-registered on 7 January 2015.

* The proportion of ownership interest is equal to the proportion of voting power held.

24. PARENT INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

	2015	2014
	$	$
ASSETS		
Current Assets	177,342	41,720
Non-Current Assets	1,455,351	2,492,072
TOTAL ASSETS	**1,632,693**	**2,533,792**
LIABILITIES		
Current Liabilities[2]	1,191,065	552,808
Non-Current Liabilities	-	-
TOTAL LIABILITIES	**1,191,065**	**552,808**
NET ASSETS	**441,628**	**1,980,984**
EQUITY		
Issued Capital	14,410,056	11,758,979
Reserve	286,826	286,826
Accumulated losses	(14,255,254)	(10,064,821)
TOTAL EQUITY	**441,628**	**1,980,984**

STATEMENT OF FINANCIAL PERFORMANCE

	2015	2014
	$	$
Loss for the year	(4,190,433)	(5,340,135)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	**(4,190,433)**	**(5,340,135)**

The guarantees, contingent liabilities and commitments for the parent entity are the same as that for the Group.

[2] The Company is disputing $706,258 of trade creditors as described in Note 17.

CAPITAL MINING LIMITED
DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

   a) comply with Accounting Standards, which, as stated in the accounting policy Note 1, to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity;

2. the Chief Executive Officer and the Chief Finance Officer have each declared that:

   a) the financial records of the consolidated entity for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001;*

   b) the financial statements and notes for the financial year comply with Accounting Standards; and

   c) the financial statements and notes for the financial year give a true and fair view; and

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors.

On behalf of the Board

Peter Torney

Director

Sydney, 29 September 2015

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Capital Mining Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 29th day of September 2015

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Capital Mining Limited

We have audited the accompanying financial report of Capital Mining Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

a. The financial report of Capital Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(c) in the financial report which records that the Consolidated Entity incurred a loss of $4,190,433 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Capital Mining Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 29th day of September 2015

CAPITAL MINING LIMITED
SHAREHOLDER INFORMATION

Information relating to shareholders at 27 September 2015 (per ASX Listing Rule 4.10)

Substantial Shareholders	Shareholding
Chapmans Limited	31,000,000

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	179	92,940
1,001 – 5,000	276	747,457
5,001 – 10,000	158	1,338,757
10,001 – 100,000	659	29,182,351
100,001 – and over	283	345,469,766
	1,555	376,831,271

Top 20 Shareholders of Ordinary Shares as at 26 July 2015	Shares	% Shares issued
CHAPMANS LIMITED	31,000,000	8.226
DIGITAL4GE PTY LTD	15,000,000	3.981
MR NICHOLAS RICHARD DIAMOND	13,000,000	3.450
CEF SUPER PTY LTD <CED SUPER FUND A/C>	11,500,000	3.052
CARRARA WEALTH GROUP PTY LTD	10,000,000	2.654
COOLABAH CAPITAL PTY LTD	10,000,000	2.654
POIPU BAY PTY LTD	10,000,000	2.654
MR PETER TORNEY	10,000,000	2.654
JJSW PTY LTD <THE JJSW SUPER FUND A/C>	8,500,000	2.256
WESTGLADE PTY LTD	8,500,000	2.256
MR JOHNATHAN BRAD ROSENTHAL	8,075,070	2.143
MR BENJAMIN FRANCIS MCGRATH	7,500,000	1.990
MR JAMIE GRAHAM PRIDE <PRIDE FAMILY INVESTMENTS A/C>	7,500,000	1.990
MR DAVID SCANLEN	7,500,000	1.990
MR YVES ZAIRRE SABELLO	7,200,000	1.911
CURRANDOOLEY PTY LIMITED	6,981,100	1.853
MR CHAY DYLAN GRANGER	5,762,250	1.529
TROPNEVAD PTY LTD	5,308,584	1.409
TIM FLAHVIN	5,000,000	1.327
MR CHRISTIAN LINCOLN –SMITH	5,000,000	1.327
PHEAKES PTY LTD <SENATE A/C>	5,000,000	1.327
RFD VICTORIA PTY LTD	5,000,000	1.327
Total	203,327,004	53.957
Issued Capital	**376,831,271**	

Top 20 Option holders of $0.20 quoted options expiring 31 December 2016 (CMYO) as at 27 September 2015	Options	% Options issued
BELLOC PTY LIMITED	5,282,500	19.613
SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	4,344,367	16.130
NOBEL INTERNATIONAL LIMITED	3,329,167	12.361
FIRST STATE PTY LIMITED	1,860,083	6.906
CELTIC CAPITAL PTY LTD <CELTIC CAPITAL NO 2 A/C>	1,500,000	5.569
MR JOSHUA MATTHEW CORNEY	961,239	3.569
PHEAKES PTY LTD <SENATE A/C>	950,000	3.527
PHEAKES PTY LTD <SENATE A/C>	875,000	3.249
UNION PACIFIC PTY LTD	600,000	2.228
LANDPATH PTY LTD	583,334	2.166
MR GEOFFREY JOHN WHITEOAK	433,432	1.609
SNOWY PLAINS PTY LTD	398,334	1.479
INVESTORLINK CHINA LIMITED	335,000	1.244
MR HAYDEN QUARMAN	325,000	1.207
MR QUANG DANNY THAI	315,000	1.170
MRS WENDY ELIZABETH AXFORD	300,000	1.114
ANNA CARINA PTY LTD <ANNA CARINA FAMILY A/C>	250,000	0.928
MR ERROL BOME & MRS MELANIE BOME <THE BOME SUPER FUND A/C>	250,000	0.928
ESSELMONT PTY LIMITED <ESSELMONT A/C>	250,000	0.928
AL-RAZA PTY LTD	200,000	0.743
MR MATTHEW BLUMBERG	200,000	0.743
MR NALLANATHAN PRABHODHARAN	200,000	0.743
SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	200,000	0.743
Total	23,942,456	88.894
Issued Capital	**26,933,673**	

Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Audit Committee

At the date of the Report of the Directors, the Company has a committee of two Non-Executive Directors which meets with the Company's external auditors at least once during each half-year. These meetings will take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.

Schedule of Tenements as at 29 September 2015

PROJECT	STATE	COMMODITY FOCUS	LICENCE NUMBER	AREA square km	TERM years	CMY INTEREST
Chakola	NSW	Gold - Copper	EL 5697	66	3	100%
Mayfield	NSW	Gold - Copper	EL 6358	25	2	51%
Cowarra*	NSW	Gold	EL 5939	28	2	50%

*****On 31 December 2014, the Company entered into an agreement to dispose its remaining interest in Cowarra project. As at the date of this report, the project is still held in Company's name pending finalisation of transfer to the new owners.

CAPITAL MINING LIMITED

ABN 69 104 551 171