

# CAPITAL MINING LIMITED

ABN 69 104 551 171

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## NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

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TIME: 10.00am (AEST)  
DATE: Monday, 8 August 2016  
PLACE: Thomson Geer  
Level 25, 1 O'Connell Street  
Sydney NSW 2000

***This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The General Meeting of the Shareholders of Capital Mining Limited which this Notice of Meeting relates to will be held at 10.00am AEST on Monday, 8 August 2016 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the proxy form enclosed and either:

- post to Capital Mining Limited, GPO Box 2517, Perth WA 6831;
- send by email to [liz@miningcorporate.com.au](mailto:liz@miningcorporate.com.au); or
- send on facsimile number +61 (0) 8 9463 6103,

so that it is received not later than 10.00am AEST on Saturday, 6 August 2016.

### **Proxy forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Capital Mining Limited will be held at 10.00am AEST on Monday, 8 August 2016 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

In accordance with Regulation 7.11.37 of the *Corporations Regulations*, the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding them at 7.00pm (AEST) on, Thursday, 4 August 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### RESOLUTION 1 - APPROVAL FOR PLACEMENT OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,000 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **RESOLUTION 4 – APPROVAL TO INCREASE AGGREGATE DIRECTOR REMUNERATION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 43.1 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the Company approves an increase in the maximum aggregate amount that may be paid to Directors as remuneration for their services in each financial year to \$500,000 which may be divided among those Directors in the manner determined by the Board from time to time.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### **BY ORDER OF THE BOARD**

**Elizabeth Hunt**  
**Company Secretary**  
4 July 2016

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Capital Mining Limited to be held at 10.00am AEST on Monday, 8 August 2016 at: Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

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### 1. RESOLUTION 1 - APPROVAL FOR PLACEMENT OF SHARES

#### 1.1 General

Resolution 1 seeks Shareholder approval for the issue of that number of Shares, when multiplied by the issue price, will raise up to \$2,000,000 (before costs) (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares under the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

#### 1.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$2,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be calculated at not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Securities were recorded before the date the prospectus is signed in accordance with Listing Rule 7.3.3;
- (d) the person to whom the Shares will be issued are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. None of the persons will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to allocate funds, assuming the full \$2,000,000 is raised, to corporate overheads, exploration programs, due diligence on acquisitions, review of other exploration project opportunities and general working capital.

Specifically, Capital has committed to an exploration program at its Chakola Gold Project, further due diligence on the Shaw River acquisition and due diligence on the Wolfhound acquisition, at a cost of approximately \$135,000. The balance of funds raised will be used for costs associated with identifying additional acquisitions and general working capital.

Capital confirms that, with the refocus on exploration activities, the Company is not currently considering any technology opportunities.

### 1.3 Dilutionary Effect

The dilutionary effect which the proposed issue of the Shares under the Placement will have on current Shareholders will be dependent upon the actual price at which Shares are issued. The table illustrated below gives an example of the dilutionary effect the future issue may have on current Shareholders based on possible prices (\$0.003, \$0.005 and \$0.007) at which the Share issue may take place (the actual number of Shares which will be issued will depend upon the Company's share price at the time the issues are made and cannot therefore be determined at this time):

	Issue Price		
	\$0.003	\$0.005	\$0.007
Shares on issue*	1,098,894,185	1,098,894,185	1,098,894,185
Shares issued under Placement	666,666,666	400,000,000	285,714,285
Total	1,765,560,851	1,498,894,185	1,384,608,470
Dilution	61%	36%	26%

*Assumes that no other Shares are issued and none of the existing Options have been converted into Shares.*

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## 2. RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

On 18 April 2016, the Company completed a placement of 100,000,000 Shares pursuant to the shareholder approval at general meeting held 18 February 2016.

As an incentive to investors, the Company also issued 100,000,000 attaching Options exercisable at \$0.05 on or before 31 December 2018 on the basis of one Option for every Share issued in the placement. The Options are unquoted.

As prior approval was not received from Shareholders for the issue of the attaching Options, Resolution 2 now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 100,000,000 Options on the terms set out below ('Ratification').

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 2.1 ASX Listing Rule 7.4

Under Chapter 7 of the Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than then amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution 2 to allow the Company to ratify the issue of the 100,000,000 Options issued on 18 April 2016 and not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 2 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities issued by the Company was 100,000,000 Options;
- (b) those Options were issued and allotted on 18 April 2016;
- (c) the Options were issued as an incentive to placement participants and for no consideration;
- (d) the terms and conditions of the issued Options are set out in Annexure A;

- (e) the recipient of the Options were investors in the private placement, none of which are a related party of the Company; and
- (f) no cash was raised via the issue of Options.

## **2.2 Directors' Recommendation**

None of the Directors has a material personal interest in the subject matter of Resolution 2. The Board believes that the ratification of the Share issue the subject of Resolution 2 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 2 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

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## **3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES**

As announced on 1 June 2016, the Company executed a Binding Agreement (Agreement) with Wolfhound Lithium Limited (Wolfhound) to acquire three lithium projects in the Republic of Ireland.

Under the terms of the Agreement, the Company issued the shareholders in Wolfhound 15,000,000 Shares representing a 90 day exclusive due diligence period. Shareholders should refer to the announcement dated 1 June 2016 for further details of the transaction.

### **3.1 ASX Listing Rule 7.4**

Refer Section 2.1 above for a summary of ASX Listing Rule 7.4.

Approval is sought under Resolution 3 to allow the Company to ratify the issue of the 15,000,000 Shares issued on 1 July 2016 and not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 3 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities issued by the Company was 15,000,000 Shares;
- (b) those Shares were issued and allotted on 1 July 2016;
- (c) the Shares were issued at the deemed price of \$0.005 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the recipient of the Shares were shareholders of Wolfhound, none of which are a related party of the Company; and
- (f) no cash was raised via the issue of Shares, being the consideration for the 90 due diligence option period.

### **3.2 Directors' Recommendation**

None of the Directors has a material personal interest in the subject matter of Resolution 3. The Board believes that the ratification of the Share issue the subject of Resolution 3 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 3 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

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## **4. RESOLUTION 4 – APPROVAL TO INCREASE AGGREGATE DIRECTOR REMUNERATION**

Resolution 4 seeks the approval of Shareholders to increase the maximum aggregate annual amount that may be paid to Directors as remuneration for their services.

### **3.1 ASX Listing Rule 10.17**

Clause 43.1 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the

Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of Director's fees payable by it or any of its child entities without the approval of Shareholders. This rule does not apply to the salaries of executive Directors.

The current maximum aggregate amount payable to Directors in any year is \$250,000. This Resolution seeks the approval of Shareholders to increase the maximum aggregate annual remuneration for all non-executive Directors by \$250,000 to \$500,000.

The total amount of Directors' fees payable includes superannuation contributions made by the Company for the benefit of non-executive directors and any fees which a non-executive Director agrees to sacrifice on a pre-tax basis.

With the increasing demands placed on directors of public companies generally, and the additional roles as members of the remuneration and audit committees recommended in the ASX Corporate Governance guidelines, the increase in aggregate remuneration payable to non-executive Directors will allow for the extra time and effort in their expanded roles, and also to appoint additional non-executive Directors who the other Directors think can deliver additional skills to the Board.

The Directors believe that the proposed increase in aggregate remuneration will assist in attracting Directors (as or if required) with relevant expertise for the Company, is appropriate for the Company and is in line with the remuneration paid by ASX-listed companies of similar size and nature.

If this resolution is passed, the Company will have the capacity to pay the non-executive Directors up to \$500,000 per annum in aggregate, although it is not proposed at this stage that this capacity will be used in full.

No securities have been issued to the current Directors by the Company in the last 3 years.



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## GLOSSARY

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For assistance in considering the Notice and accompanying Explanatory Memorandum, the following words are defined here:

**\$** means the official currency of the Commonwealth of Australia.

**AEST** means Australian Eastern Standard Time.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the General Meeting.

**Company** means Capital Mining Limited (ACN 104 551 171).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth).

**Corporations Regulations** means the *Corporations Regulations 2011* (Commonwealth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum enclosed with, and comprising part of, this notice of general meeting.

**General Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of the ASX.

**Notice** means this notice of general meeting.

**Option** means a listed option to acquire a Share(s).

**Proxy Form** means the proxy form enclosed with the Notice.

**Resolutions** means the resolutions proposed in the Notice.

**Security or Securities** means a Share and/or Option.

**Security Holder** means a holder of a Security.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Australian Western Standard Time.

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## APPENDIX A – TERMS & CONDITIONS OF \$0.05 31 DECEMBER 2018 OPTIONS

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**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (j) **Error! Reference source not found.**, the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**)

**(c) Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2018 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Shares on exercise**

Within 14 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 21 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (e) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 21 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(l) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Unquoted**

The Company will not apply for quotation of the Options on ASX.

**(n) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**CAPITAL MINING LIMITED**

**ACN 104 551 171**

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**PROXY FORM**

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Name

Address

**Appointment of a proxy**

I/We being a member(s) of Capital Mining Limited hereby appoint:

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(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, but subject to relevant laws, as the proxy sees fit) at the General Meeting of Capital Mining Ltd to be held at 10.00am AEST on Monday, 8 August 2016 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000 and at any adjournment of that meeting.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN *
Resolution 1	Approval for Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Increase Director Remuneration Aggregate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote any undirected proxies in favour of all Resolutions.

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Appointment of a second proxy**

I/We wish to appoint a second proxy

☐ mark with an "X" if you wish to appoint a second proxy

AND  % OR

State the percentage of your voting rights or the number of shares for this Proxy Form

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Authorised signature(s)**

INDIVIDUAL/SECURITY HOLDER 1  
Individual/Sole Director and Sole  
Company Secretary

SECURITY HOLDER 2  
Director

SECURITY HOLDER 3  
Director/Company Secretary

**Contact details**

**Contact Email address**

**Contact Telephone Number**

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## Voting By Proxy - How to complete the Proxy Form

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company 7.00pm (AEST) on Thursday, 4 August 2016.

1. **Appointing a Proxy:** A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the General Meeting. If a member is entitled to cast 2 or more votes at the General Meeting, the member may appoint a second proxy to attend and vote on their behalf at the General Meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose subject to relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **New sections 250BB and 250BC of the Corporations Act)** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

**Proxy vote if appointment specifies way to vote:** Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**Transfer of non-chair proxy to chair in certain circumstances:** Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;

(b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. **Signing Instructions:**

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

5. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

6. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Capital Mining Limited, GPO Box 2517, Perth WA 6831;
- send by email to [liz@miningcorporate.com.au](mailto:liz@miningcorporate.com.au); or
- send on facsimile number +61 (0)8 9463 6103,

so that it is received not later than 10.00am AEST on Saturday, 6 August 2016.