

Capital Mining Limited

ASX: CMY, CMYO

Level 11, 216 St Georges Tce
Perth WA 6000

Telephone +61 8 9481 0389

Fax +61 8 9463 6103

www.capitalmining.com.au

Directors

Mr Peter Torney

Mr Peter Dykes

Mr Anthony Dunlop

Company Secretary

Mrs Elizabeth Hunt

ASX Release

10 October 2016

FIELD WORK TO COMMENCE AT YALGOO LITHIUM PROJECTS

Highlights

- **First phase field work to commence this week at the Yalgoo North and Yalgoo South Projects in the Mid-West region of Western Australia.**
- **Program will consist of Soil Sampling, Rock Chip Sampling and Mapping to identify spodumene – lithium-bearing – pegmatites.**
- **Program expected to be completed this month and results released as soon as available.**
- **First Phase exploration program at Gascoyne Lithium Projects complete – results expected in near term.**

Capital Mining Limited (ASX: CMY) (“Capital” or “the Company”) is pleased to announce the commencement of the first phase of field work at its Yalgoo North (E59/2195) and Yalgoo South (E59/2196) Lithium Projects in the Yalgoo Mineral Field in the Mid-West region of Western Australia.

The Yalgoo North and Yalgoo South Projects are exploration licence applications and cover a total area of 118.12 km². They were pegged in August (ASX announcement, 23 August 2016) in line with Capital’s active strategy to acquire and explore for high value mineral resources, which includes a significant portfolio of highly prospective lithium exploration assets.

The Yalgoo Projects both exhibit key features of a conventional Lithium-Caesium-Tantalum (LCT) Pegmatite model and have been identified and pegged based on their potential to host rare-element granitic pegmatites (refer Figure 1).

Capital is pleased to advise that field work at both Yalgoo Projects will commence this week, with the aim of identifying and sampling spodumene (lithium-bearing) pegmatites. This work will assist the Company to define and refine targets for more detailed follow-up exploration and drilling, subject to results achieved.

The initial field work will be reconnaissance in nature and will include an extensive soil sampling program and rock chip sampling program across the two project areas. Samples collected will be sent for laboratory analysis.

Mapping of prospective target areas will also be undertaken in this first phase of field work.

The program is anticipated to be completed by the end of this month, and results will be released as soon as they become available.

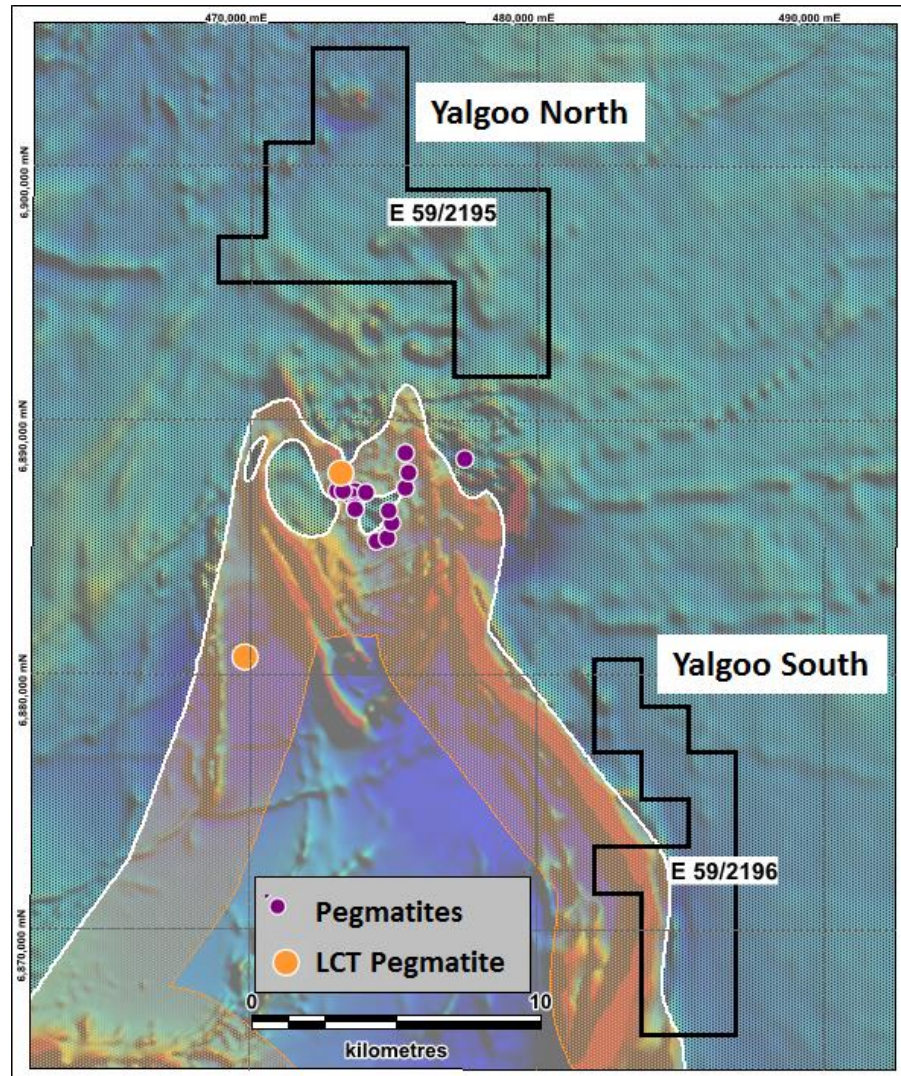


Figure 1: Yalgoo North and Yalgoo South Projects showing nearby Pegmatite and LCT Pegmatite occurrences.

Upon grant of the tenements (expected in the current quarter) and subject to the results of this initial phase of field work, the Company plans to embark on a more detailed exploration program to further define and refine target areas.

About the Yalgoo North and Yalgoo South Projects

The Yalgoo Projects are located in the active Yalgoo Mineral Field, approximately 230km from the Geraldton Port. The project areas are well serviced by existing infrastructure. The Geological Survey of Western Australia (GSWA) has recorded a number of pegmatites in the Yalgoo Region including lithium-bearing LCT pegmatites. Yalgoo North hosts magnetic features which indicate the presence of greenstone rafts (mafic rocks) at the northern extremity of the greenstones terrain. Yalgoo South lies on the eastern margin of the north, north-west trending greenstone belt and extends into the granitic rocks (biotite and monzogranite), with magnetic features indicating greenstone rafts. The presence of greenstone is interpreted to further add to the projects' spodumene-bearing pegmatite potential.

ENDS

Peter Dykes

Director