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WOLFHOUND LITHIUM ACQUISITION UPDATE

FIELD PROGRAM TO COMMENCE IMMEDIATELY UPON GRANT OF TENEMENTS

Highlights

- Capital to commence field program at Wolfhound Lithium Limited Projects immediately following grant of tenements – expected in the coming weeks.
- Field program to focus on the identification & sampling of known spodumene (lithium-bearing) pegmatites.
- The projects include 7 prospecting licence applications covering ~270km² in the highly prospective Leinster Granite in the south east of Ireland.
- The project area is adjacent to International Lithium Corp. (TSXV: ILC) Avalonia Lithium Project which has reported high grade drill intercepts of 2.23% Li₂O over max width 23.3m incl. 3.43% Li₂O over 6m.

Capital Mining Limited (ASX: CMY) (“**Capital**” or “**the Company**”) is pleased to provide the following update on its acquisition of Wolfhound Lithium Limited (“**Wolfhound**”) in the Republic of Ireland.

Capital has entered into a Binding Agreement (**Agreement**) with Wolfhound to acquire three lithium-prospective projects – the Borris, Ballon and Tinahely Projects (**Projects**) (refer Project Location maps; Figures 1 and 2) – comprised of seven prospecting licence applications (ASX announcement 1 June 2016).

The Projects are situated in the highly prospective Leinster Granite in the south east of Ireland, and cover a total area of approximately 270km². The Projects are considered prospective for lithium-rich spodumene bearing pegmatites.

Capital advises that it has finalised plans for its first phase of field work, planned to commence immediately upon the grant of tenements. Grant of tenements is expected to occur in the coming weeks.

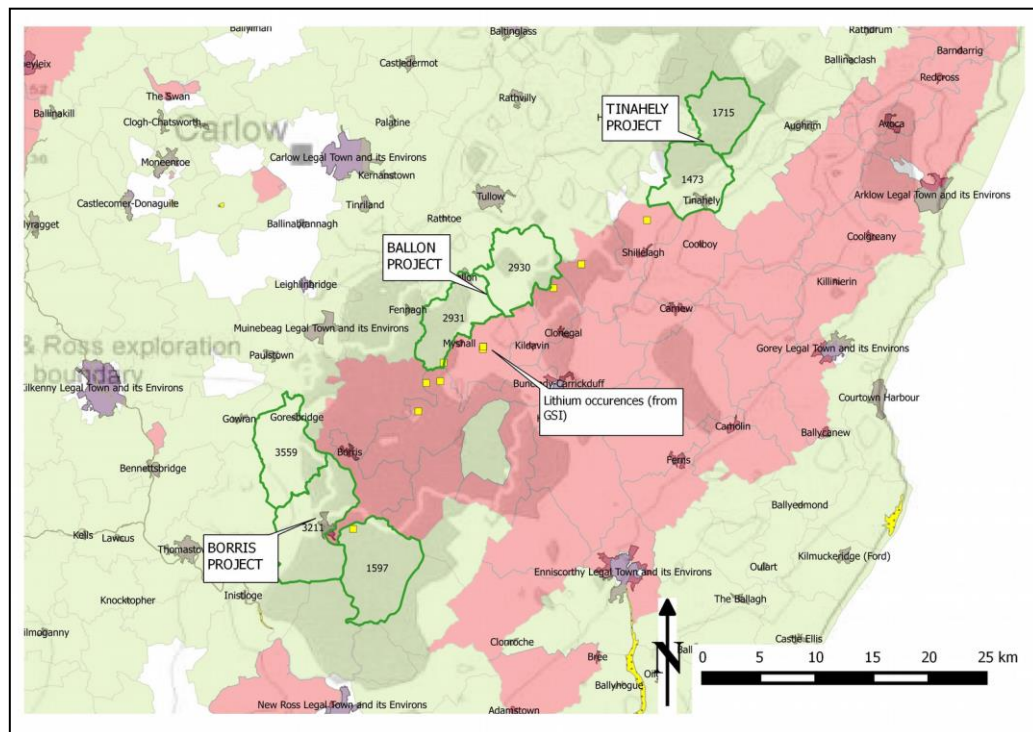


Figure 1: Project locations. Wolfhound licence areas are identified by green outline. Red outlined areas identify current occupied tenure. Grey areas indicate elevated lithium occurrences.

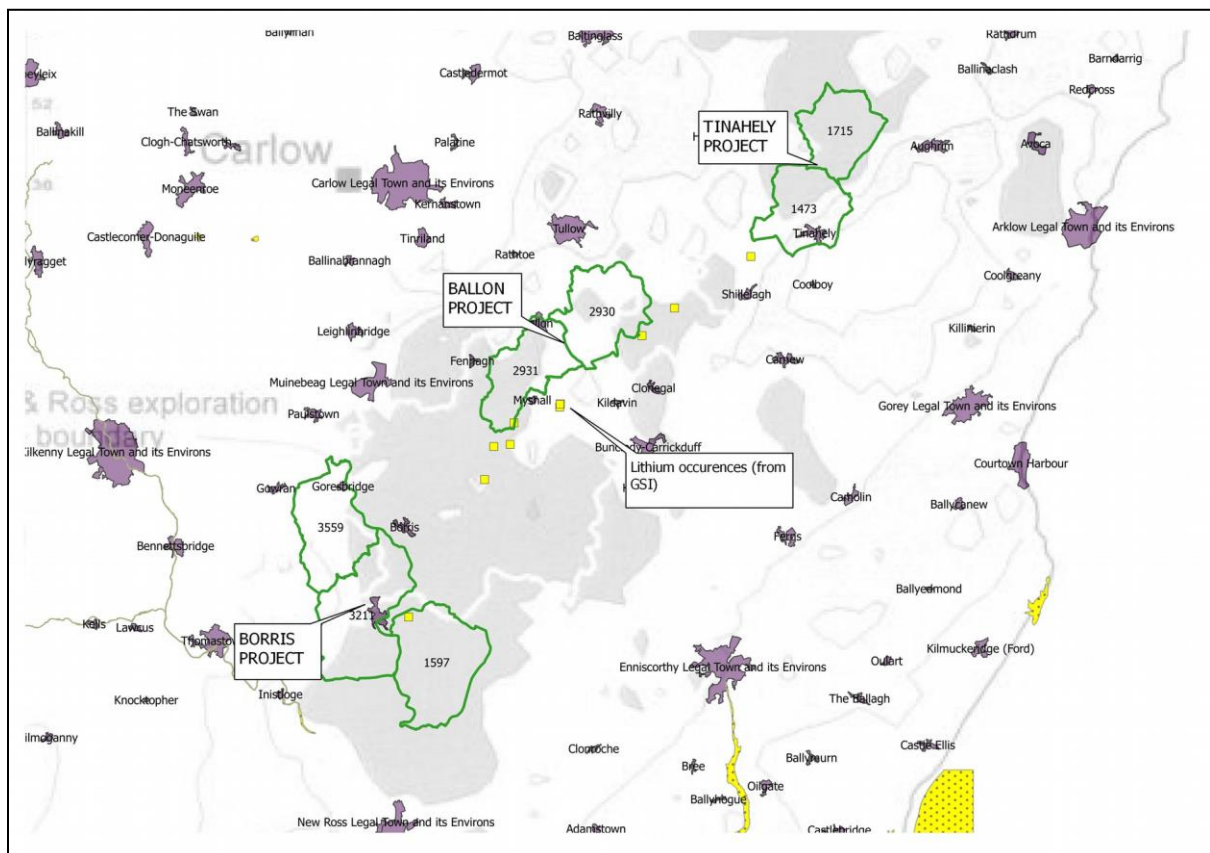


Figure 2: Project map, showing areas of elevated lithium (greyed area) and discoveries of lithium in spodumene pegmatites are marked by yellow squares.

Field Work Program

The Company will commence its field work at the Ballon Project (PL2930 & PL2931) which is located north of and adjacent to International Lithium Corporation's (TSXV: ILC) Avalonia Lithium Project. The aim of the field work will be to identify and sample spodumene (lithium-bearing) pegmatites, to refine priority targets in Capital's future exploration planning.

Capital expects to follow the field program with a magnetic susceptibility survey of the Ballon Project area. The magnetic survey combined with systematic geochemical sampling will be used to delineate and rank drill targets.

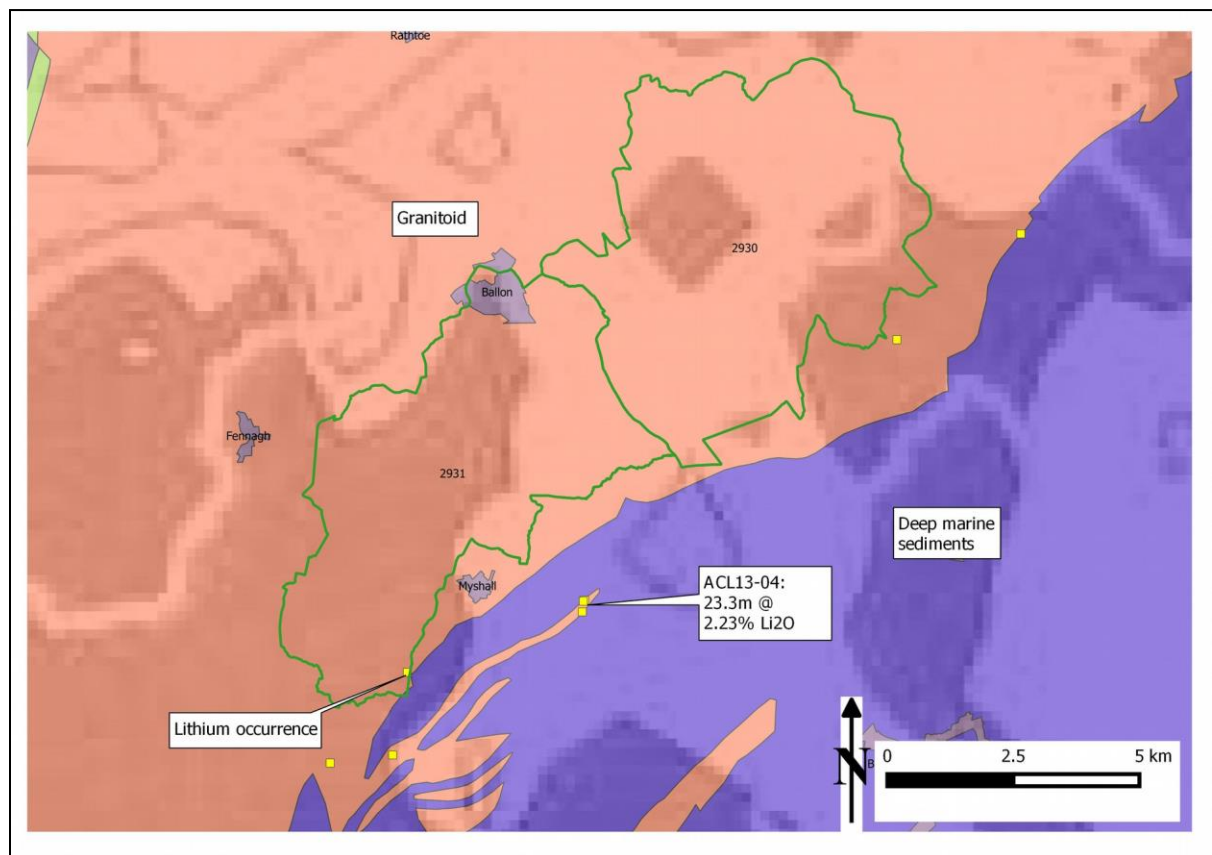


Figure 3: Ballon Project showing spodumene-bearing pegmatite locations and elevated lithium occurrences.

This area on the NW side of the granite contact comprises the Ballon Project. Capital will undertake works to assess the potential extension of the Avalonia pegmatite onto the Ballon Project, as well as sample the pegmatites already identified at the Ballon Project.

ILC declared in January 2015 that *“the prospective belt may be significantly wider than previously realized, with pegmatite bodies now indicated to occur in parallel at the Leinster granite contact or on either side of the contact in the two host rock units”*.



The tenements also border two lithium-bearing mineral locations as recorded by the Geological Survey of Ireland (GSI) and one occurrence of “*interesting occurrence of lithium in spodumene pegmatite*” is located within PL2931. Capital will conduct field sampling to test for the lithium occurrences at the Ballon Project.

The Company will update the market on the results of the field sampling and any significant findings from the field program.

Peter Dykes
Director