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ASX Release

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WOLFHOUND LITHIUM LICENCES GRANTED – EXPLORATION TO COMMENCE

Highlights

- All seven Prospecting Licences covering the Wolfhound Lithium assets in the Republic of Ireland have been granted.
- Capital will now move to finalise the acquisition of Wolfhound Lithium and commence exploration.
- Wolfhound owns the Borris, Ballon and Tinahely Projects which cover ~270km² in the highly prospective Leinster Granite in the south east of Ireland.
- The projects are considered prospective for lithium-rich spodumene-bearing pegmatites.
- Field work will initially focus on the Ballon Project situated adjacent to International Lithium Corp. (TSXV: ILC) Avalonia Lithium Project.

Capital Mining Limited (ASX: CMY) (“Capital” or “the Company”) is pleased to announce that the Prospecting Licences covering the Borris, Ballon and Tinahely Lithium Projects in the Republic of Ireland have now been granted.

Capital entered into a Binding Agreement to acquire 100% of the issued capital of Wolfhound Lithium Limited (Wolfhound) in June (ASX announcement, 1 June 2016). Wolfhound is the owner of the Borris, Ballon and Tinahely Projects (refer project location maps; Figures 1 and 2).

Capital has immediate plans to commence an initial field work program, as outlined in the Company’s ASX announcement of 2 August 2016.

The projects comprise seven Prospecting Licences (PLs 2930, 2931, 1597, 3211, 3559, 1473 and 1715) and a total area of approximately 270km² in the highly prospective Leinster Granite in the south east of Ireland, and are considered prospective for lithium-rich spodumene bearing pegmatites.

Capital will now proceed to finalise the acquisition of Wolfhound, which includes the issue of 50,000,000 fully paid ordinary shares in CMY at a price of \$0.005 each on the granting of the Prospecting Licences.

The map displays the Carlow region with the following features:

- Project Areas:** Three green-outlined regions are labeled: **BALLON PROJECT** (central), **TINAHELY PROJECT** (northeast), and **BORRIS PROJECT** (southwest).
- Lithium Occurrences:** Yellow squares represent lithium occurrences from the Geological Survey of Ireland (GSI). These are concentrated in the Ballon and Tinahely areas.
- Towns and Villages:** Numerous locations are labeled, including Carlow, Tullow, Rathfriland, Tinahely, Borris, and many others.
- Legend:** A box labeled "Lithium occurrences (from GSI)" points to a yellow square.
- Scale and Orientation:** A scale bar at the bottom left indicates 0 to 10 km. A north arrow is located in the top right corner.

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

Ballon Field Work Program

The field work program will commence at the Ballon Project (Figure 3) which comprises two tenements (PL 2930 & PL 2931) situated north of and adjacent to International Lithium Corporation's. (TSXV: ILC) Avalonia Lithium Project. The works program is designed to identify and sample spodumene (lithium-bearing) pegmatites, to refine priority targets for Capital's future exploration planning.

It is anticipated that a magnetic susceptibility survey of the Ballon Project area will also be undertaken, which in conjunction with the systematic sampling program, will be used to delineate and rank drill targets.

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"*. A focus of the initial field work program will be to assess the potential extension of the Avalonia pegmatite onto the Ballon Project.

The Company will update the market on the timing of the Field Work program in due course.

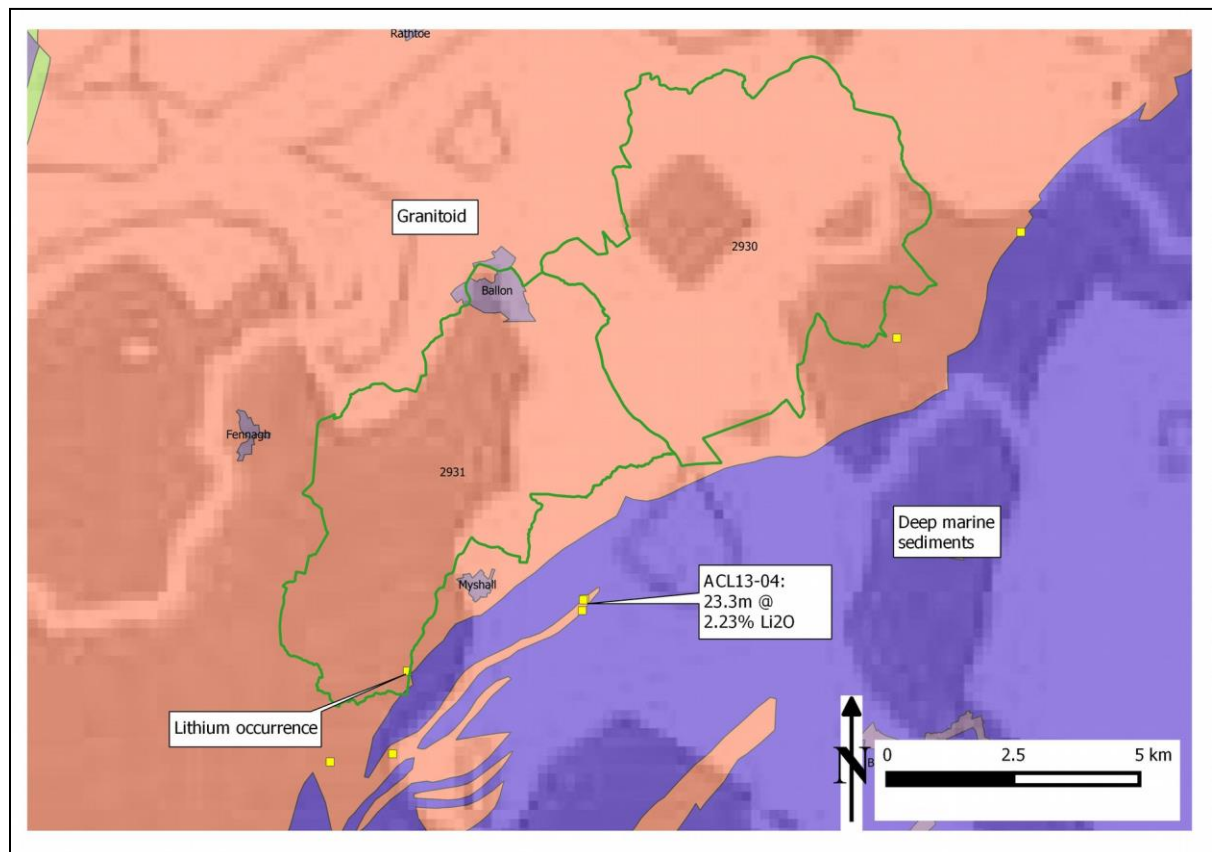


Figure 3: Ballon Project showing spodumene-bearing pegmatite locations and elevated lithium occurrences.

ENDS

Peter Dykes
Director