

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

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CAPITAL MINING SECURES WAIL LITHIUM PROJECT

Highlights

- **Capital Mining has secured the Wail Lithium Project in the Gascoyne Mineral District in Western Australia**
- **The Project comprises three Exploration Licences over a total area of 492.3km²**
- **The Project is considered prospective for;**
 - **A conventional Lithium-Caesium-Tantalum (LCT) Pegmatite model; and**
 - **A lithium-clays model similar to the Kings Valley Project in Nevada, USA and the Sonora Project, Mexico.**
- **The Wail Project provides the potential for ‘first mover’ advantage in a potentially new lithium province in WA**
- **Capital has commenced field work at its current portfolio of lithium-prospective assets and results will be reported as they become available**

Capital Mining Limited (ASX: CMY) (“**Capital**” or “**the Company**”) is pleased to announce it has secured the Wail Lithium Project in the Gascoyne Mineral Field in Western Australia.

The Wail Project has been pegged as part of Capital’s targeted lithium asset acquisition strategy. It comprises three tenements – Wheelock (E09/2205), Mongolia (E09/2206) and (Pinthagong (E09/2207) – and covers a total area of 492.3km². The project’s tenements are located approximately 150km–200km north east of the coastal town of Kalbarri (refer Figure 1, Project Location Map).

The project was pegged as a result of a review of positive data from two separate regional geochemical government data sets. Results from both data sets showed significant elevated lithium values on a regional scale in regolith (GSWA, Sanders and McGuinness, 2000 and Morris and Verren, 2001) and water samples (CSIRO, Gray et al, 2016) (refer Figures 2 and 3).

The Wail Project presents as being prospective for two separate lithium models. The first, in the eastern region, is a conventional Lithium-Caesium-Tantalum (LCT) Pegmatite model with a granite and greenstone contact, recognised as a prime target zone (or ‘goldilocks zone’) for LCT pegmatites, plus positive magnetic features. The second is a lithium-clay model in the western area of the project, which will target lithium clay deposits such as the Kings Valley Project in Nevada, USA and the Sonora Project, Mexico.

Exploration for lithium clays and LCT Pegmatites has yet to be undertaken at the Wail project area, and Capital has the opportunity to establish itself with a ‘first mover’ advantage in a potentially new lithium province in Western Australia.



Figure 1: Location Map of the Wail Project and tenements

Wheelock Tenement

The Wheelock tenement represents a conventional LCT pegmatite setting of Proterozoic aged sandstones and an Archean inlier of amphibolites within the recognised LCT-Goldilocks zone. Two hydro-geochemical (groundwater) samples collected at the project by CSIRO (Gray et al 2016) returned elevated dissolved lithium values of 134 mg/litre and 82 mg/litre. These samples, contributed to Gray et al (2016), identify this area (Area 4, page 71) as the only lithium area of interest in the data set.

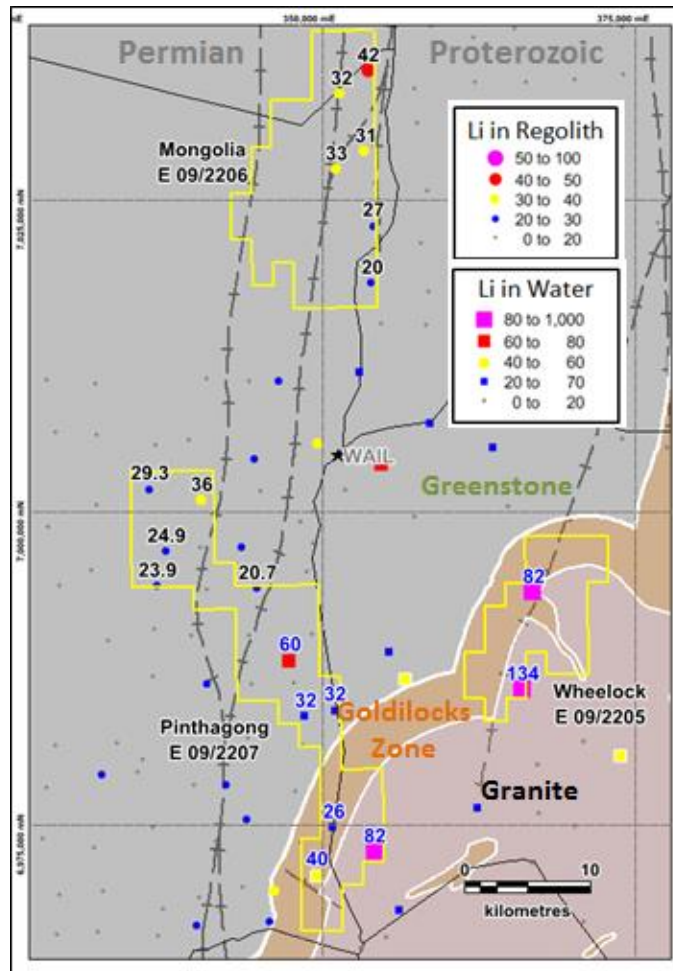


Figure 2: The Wail Project showing geological setting and lithium values from regional sampling of regolith and water.

Mongolia Tenement

This tenement straddles the Proterozoic and Permian sediments. The western margins of the Proterozoic sediments are defined by a major fault system related to the Darling fault. Regional GSWA samples on ~4km x 4km grid have shown regionally elevated lithium on the eastern portion of the tenement, with values consistently greater than 30 ppm extending over 8 km on a background of ~6 ppm Li.

In addition to elevated lithium, the region demonstrates elevated in tin (Sn), niobium (Nb) and gallium (Ga) levels, as shown in the regolith samples (refer Figure 4) with their elevated distribution associated with the Darling Fault system.

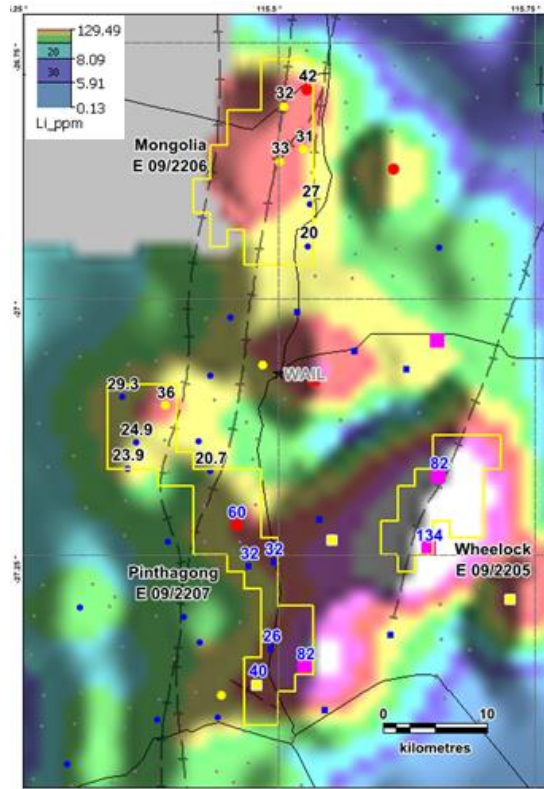


Figure 3: Wail Project showing lithium image and values from regional sampling of regolith and water.

Pinthagong Tenement

The Pinthagong tenement represents a conceptual target exploring for lithium clay deposits, similar to the King Valley and Sonnora Projects, and the Jadar Lithium-Borate Project in Serbia. The Western portion of Pinthagong lies in the premium sediments of the Perth Basin and has locally elevated lithium adjacent to and straddling the Darling Fault Zone, which extends through to the Mongolia tenement. The Eastern portion of Pinthagong straddles the Archean granite and Proterozoic sediments which have elevated lithium in water and regolith samples (refer Figure 2).

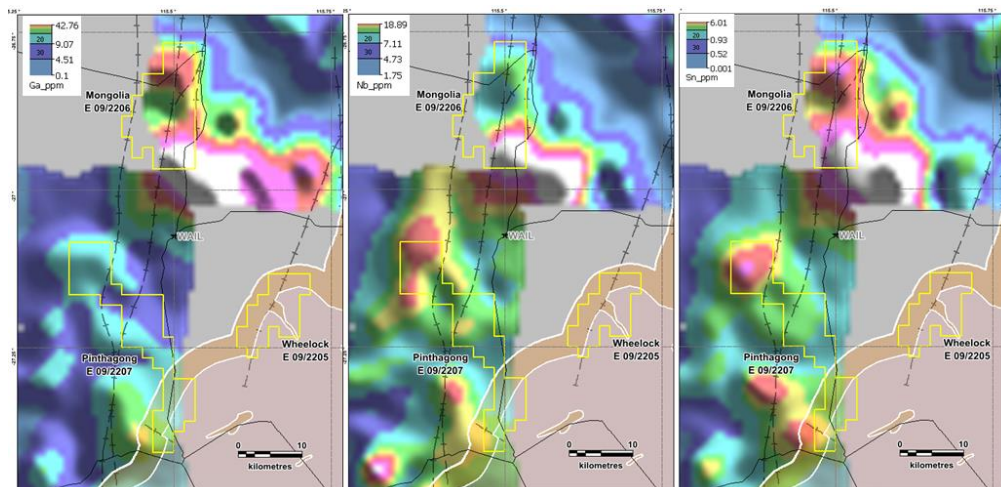


Figure 4: Wail Project showing images of Ga, Nb and Sn from regional regolith sampling.



Works Programs – Existing Projects

Capital has commenced a systematic first phase field work program across its lithium project portfolio, commencing with the Reynolds, Caroline Creek and Yinnietharra Projects in the Gascoyne region of WA.

Exploration will then progressively be undertaken at the Wail Project, the Ravensthorpe, Yalgoo North and Yalgoo South Projects as well as the Bigbell South and Mindoole Projects in WA. As previously announced, the Company will also commence initial field work at its Wolfhound Lithium Projects in the Republic of Ireland in the near term.

Results of all field work programs will be announced as they become available.

ENDS

Peter Dykes
Director

References:

- Gray, DJ, Reid, N and Noble, RRP 2016, Improved hydrogeochemical exploration in the northwest Yilgarn Craton, adding value to underexplored areas: Geological Survey of Western Australia, Record 2016/9, 100p.
- Morris, P. A., and Verren, A. L., 2001, Geochemical mapping of the Byro 1:250 000 sheet: Western Australia Geological Survey, 1:250 000 Regolith Geochemistry Series Explanatory Notes, 53p.
- SANDERS, A. J., and McGUINNESS, S. A., 2000, Geochemical mapping of the Ajana 1 :250 000 map sheet: Western Australia Geological Survey, 1 :250 000 Regolith Geochemistry Series Explanatory Notes, 55p.
- WAIL