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**ASX Release**

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**CAPITAL MINING EXPANDS LITHIUM PROJECT PORTFOLIO**

**Highlights**

- **Capital Mining has pegged three new lithium prospective projects in the Gascoyne region of Western Australia**
- **The Projects expand Capital's lithium asset portfolio by more than 500km<sup>2</sup>**
- **The Reynolds Project has abundant occurrences of minerals associated with rare-earth-metal pegmatites and anomalous concentration Niobium and Tantalum**
- **All projects considered prospective for lithium-rich spodumene bearing pegmatites - located close to known mineral occurrences associated with LCT pegmatites**
- **Capital plans to commence field program immediately to identify and define targets**

Capital Mining Limited (ASX: CMY) ("**Capital**" or "**the Company**") is pleased to announce it has expanded its lithium project portfolio with the pegging of three lithium prospective projects in the Gascoyne Minerals District in Western Australia.

The projects comprise three exploration licence applications over a total area of 501.15km<sup>2</sup>; the Reynolds Project (ELA09/2209), the Caroline Creek Project (ELA08/2869) and the Yinnietharra Project (ELA09/2208), refer Project Location map; Figure 1.

They are all considered prospective for lithium-rich spodumene bearing pegmatites, and are located in close proximity to known mineral occurrences associated with Lithium-Caesium-Tantalum (LCT) pegmatites.

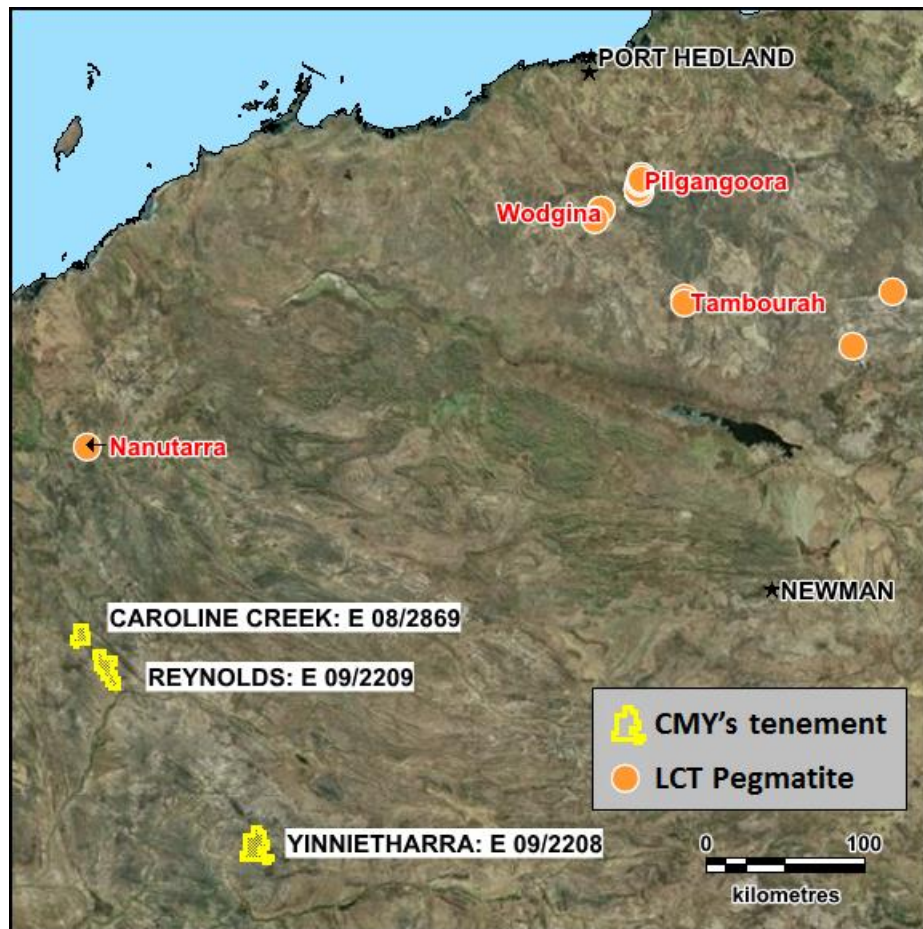
The new projects substantially add to Capital's lithium asset portfolio, and are consistent with the Company's exploration strategy to acquire, explore and develop high quality lithium assets and other key demand-focused mineral resources.

**Exploration Rationale**

The Reynolds, Caroline Creek and Yinnietharra Projects are all considered prospective for rare-element granitic pegmatites of the LCT geochemical group, and have been identified and pegged on the basis that they all demonstrate a compelling conventional LCT Pegmatite model.

Pegmatite is composed of common granite minerals including quartz, feldspar and micas, as well as economically significant minerals containing elements such as lithium (spodumene), tantalum, niobium, tin and tungsten.

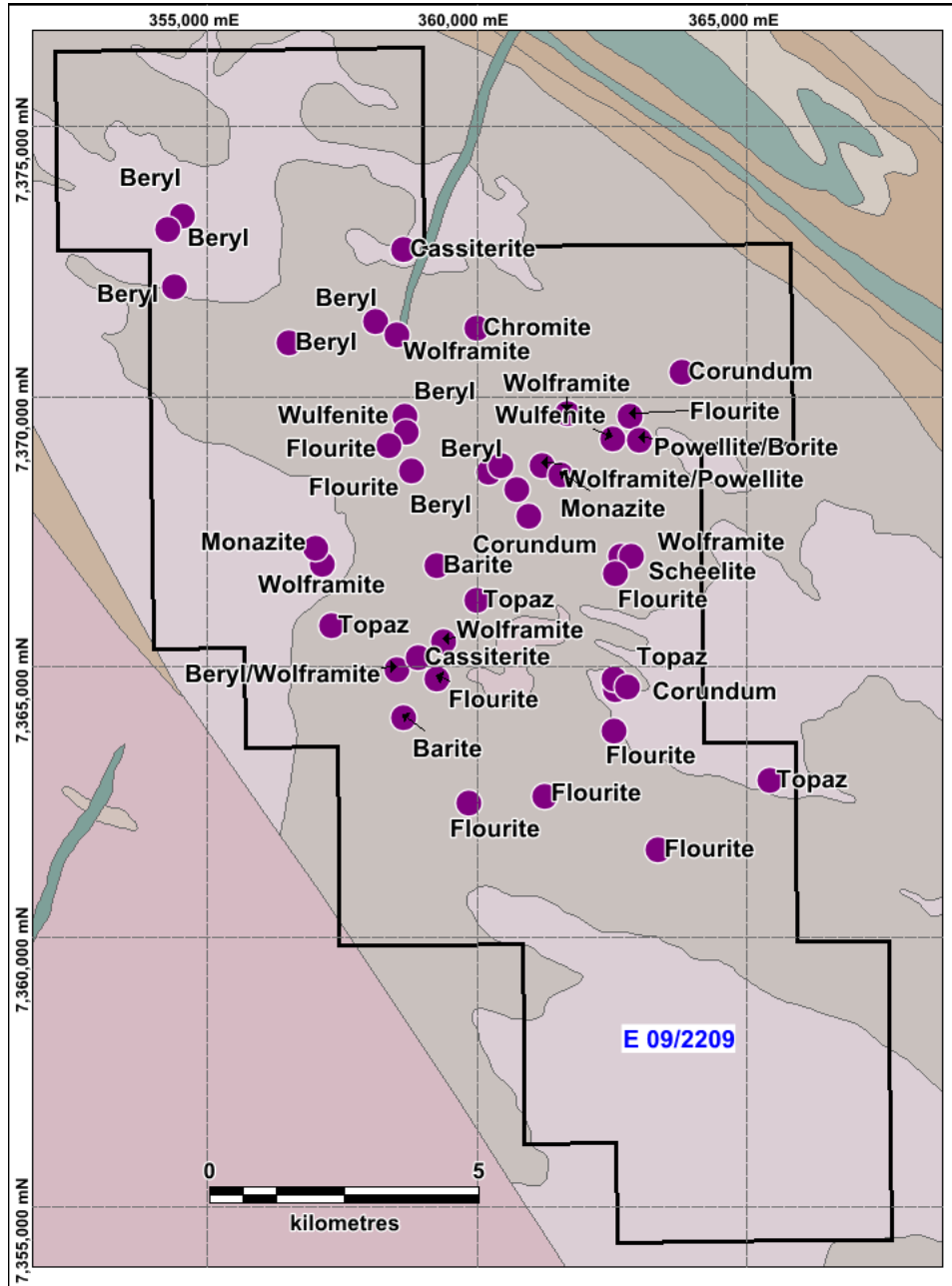
The projects all demonstrate a granite and greenstone contact, which is recognised as a prime target zone (or 'goldilocks zone') for LCT pegmatites. Also, an assessment of magnetics data over the project areas indicates the presence of greenstone, which further adds to the spodumene bearing pegmatite potential of the projects.



**Figure 1:** Reynolds, Caroline Creek and Yinnietharra Project locations.

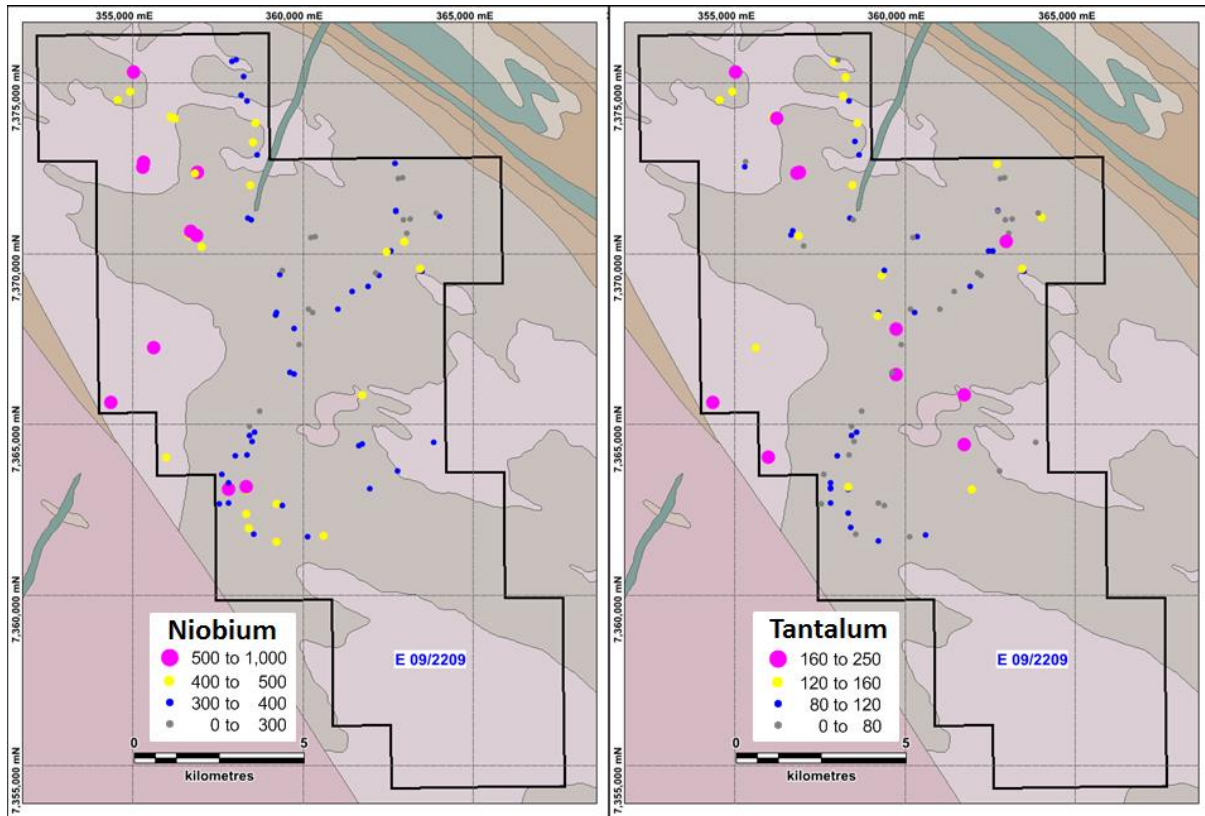
### Reynolds Project

Carpentaria Exploration Company Pty Ltd (*Taylor, 1981*) conducted extensive tungsten and gold exploration in the region between 1979 and 1981. It identified 44 heavy mineral anomalies within the Reynolds Project (refer Figure 2) including fluorite (14), Beryl (8), wolframite (6), wulfenite (4), barite (2) casiterite (2) and Monazite (2) which are minerals hosting F, Be, W, Mo, Ba, Sn and Ce; components of rare-earth-metal pegmatites (*ČERNÝ and ERCIT, 2005*).



**Figure 2: Heavy Mineral Anomalies on Reynolds Project**

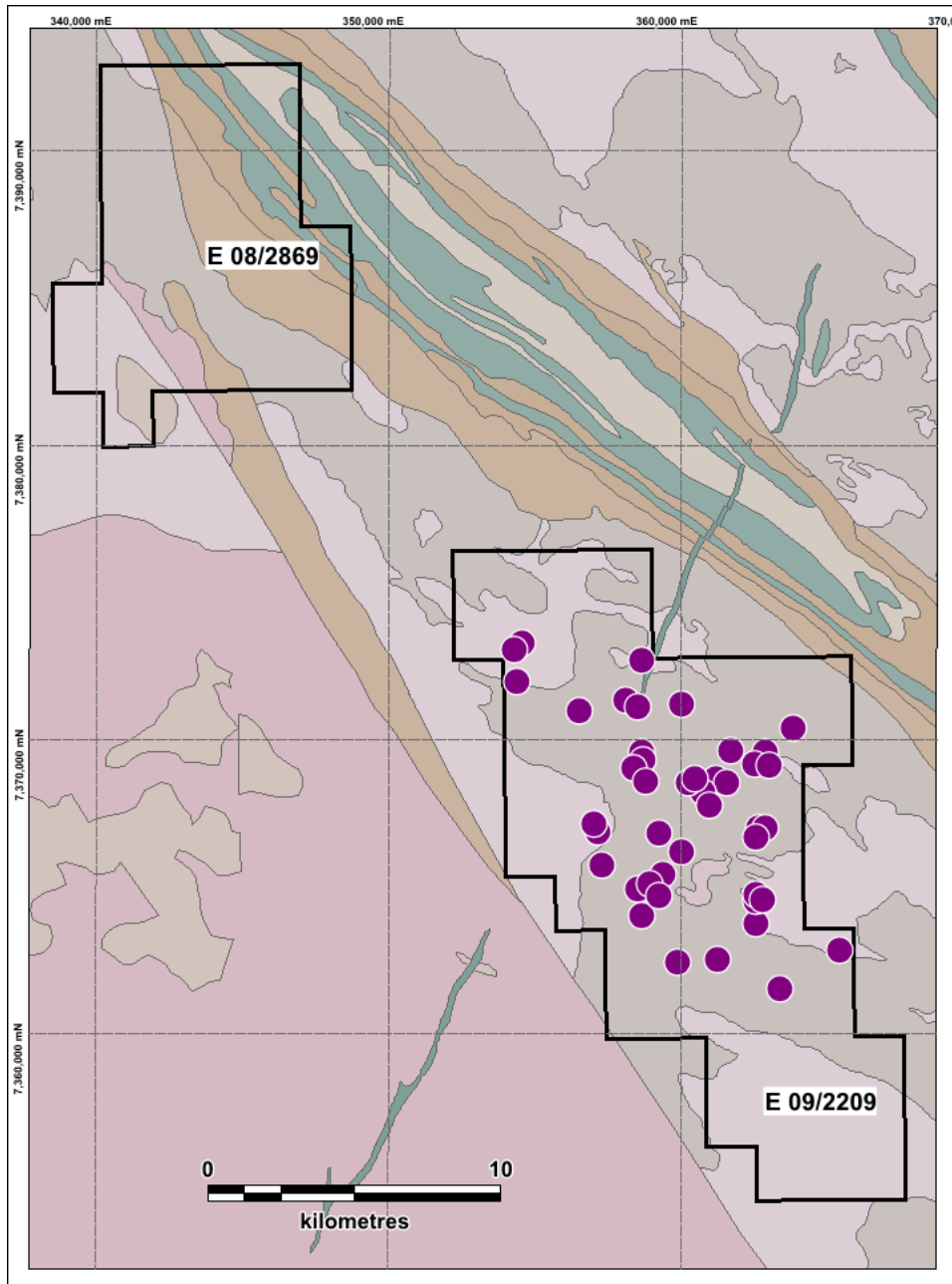
Stream sediment geochemistry from part of the Capricorn Orogen' supplied to GSWA by BHP Billiton shows regionally elevated niobium (Nb) and tantalum (Ta) values within the Reynolds Project (refer Figure 3). The presence of elevated Nb and Ta are considered significant in the exploration for LCT Pegmatites.



**Figure 3:** Niobium (Nb) and tantalum (Ta) values from data supplied to GSWA by BHP Stream Sediment data.

### Caroline Creek Project

Caroline Creek lies along strike of the Reynolds Project (refer Figure 4) and Capital considers this as an extension of the granite and greenstone stratigraphy and thus equally as prospective as Reynolds for LCT Pegmatites.



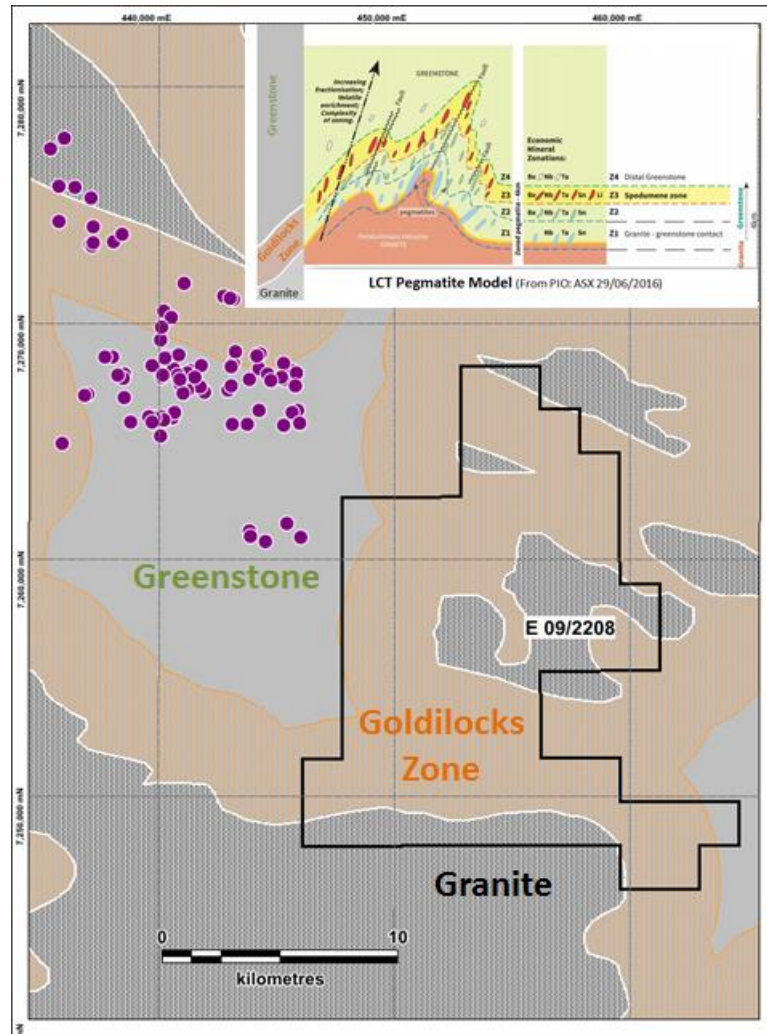
**Figure 4:** The Reynolds and Caroline Creek LCT pegmatite projects.

### **The Yinnietharra Project**

The Project is located 3km from an active LCT pegmatite field, which hosts tenements holdings of Lithium Australia (ASX: LIT), Segue Resources (ASX: SEG), Cullen Exploration (ASX: CUL) and Zeus Resources (ASX: ZEU) among others.

Geologically Capital considers the Yinnietharra Project to be in a highly prospective 'Goldilocks zone' for LCT Pegmatites (refer Figure 5).





**Figure 5:** The Yinnietharra Project is interpreted to be to be in a Goldilocks corridor for LCT Pegmatites.

## Works Program

Capital plans to immediately commence a first phase, reconnaissance, ground work program at the three projects. This will include soil sampling, rock chip sampling and mapping as part of the target identification and definition process.

Upon grant of the tenements, which is expected in approximately three months, the Company will embark on a more detailed field work program to further define and refine target areas.

## Location and Infrastructure

The Projects are located in an established and active mineral field in the Gascoyne region of WA, which hosts numerous active exploration and mining operations. Requisite labour and exploration equipment is readily available. Caroline Creek is the northern most project and is located approximately 5km north west of the Reynolds Project. The Yinnietharra Project is located approximately 120km south east of Reynolds (refer Figures 2 and 3).



The projects are situated in close proximity to the town of Gascoyne Junction and approximately 350km from the port of Carnarvon. The tenements are accessible via main roads, regional roads plus secondary roads and tracks.

### **New Project Opportunities**

Capital also advises that it continues to assess new lithium project opportunities as well as projects in other demand-driven commodities as part of its ongoing project generation and acquisition process. The Company will update the market in due course on any further acquisitions to its project portfolio.

ENDS

Peter Dykes  
Director

### **References**

- ČERNÝ, P. and ERCIT, T.S. (2005) The Classification Of Granitic Pegmatites Revisited, The Canadian Mineralogist Vol. 43, pp. 2005-2026.
- TAYLOR, T., 1981, Final Report, Reynolds Well Project, Temporary Reserve 7098H:
- Carpentaria Exploration Company Pty Ltd. Open File Report Item 1297 (Wamex Report; a10280).