

Capital Mining Limited

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**CAPITAL MINING IDENTIFIES OUTCROPPING PEGMATITES AT PILBARA
LITHIUM PROJECT AREA**

HIGHLIGHTS

- ✦ **Outcropping pegmatites have been identified at the portfolio of lithium prospective assets in the Pilbara region of Western Australia, proposed to be acquired by CMY.**
- ✦ **Pegmatites identified by airborne mapping program undertaken to allow rapid assessment of 14 key targets in the acquisition portfolio.**
- ✦ **Samples have been collected and submitted for laboratory analysis with assay results expected within four weeks.**

Capital Mining Limited (ASX: CMY) ("Capital" or "the Company") is pleased to announce that it has identified outcropping pegmatites at the Shaw River portfolio within the Company's proposed portfolio of lithium-prospective assets in the Pilbara region of Western Australia.

An airborne mapping program has been undertaken over the project area to allow rapid assessment of 14 key targets in the proposed acquisition portfolio (ASX announcement, 13 May 2016). In addition a limited number of samples were collected from surface - under the geologist's Miners Right with the consent of the pastoral lessee, as the tenements are still under application.

The data obtained from the mapping and sampling will be used to prioritise future exploration. The presence of outcropping pegmatites allows targets to be advanced rapidly upon tenement grant with a program of detailed mapping and infill sampling.

In the short term a number of geophysical and spectral techniques will be investigated by the Company to also identify areas where pegmatites may be buried under shallow cover which overlies a significant proportion of the project area.

The mapping program identified a number of substantial outcropping pegmatite occurrences along with a number of other coarse-grained intrusive lithologies. A variety of mineralogy and grain size was observed, across the projects and within individual

prospects, which indicates various generations of pegmatites may have been extruded during the evolution of the source granitoids with potential for fractionation and other processes to separate.

Pegmatites mapped and sampled at the Shaw River Project primarily comprised albite-bearing pegmatites with a variety of minor minerals (Figure 2). Detailed mineral identification work on selected samples, which will include petrographic analysis, will be completed following receipt and review of assay results.

At the Railway Project a number of pegmatites were sampled in the area of the historic Woodstock tantalum workings (Figures 3 and 4). These workings were found to lie close to the granite-greenstone contact which is a typical setting for pegmatite emplacement in the Pilbara region. An increased content of ferromagnesian minerals was observed at this prospect, and detailed mineral identification is also planned to be completed at this target area based on assay results.

Samples collected have been submitted for laboratory analysis, including analysis for lithium and tantalum, and assay results are expected within four 4 weeks.

The Company will update the market upon receipt of the assay results.

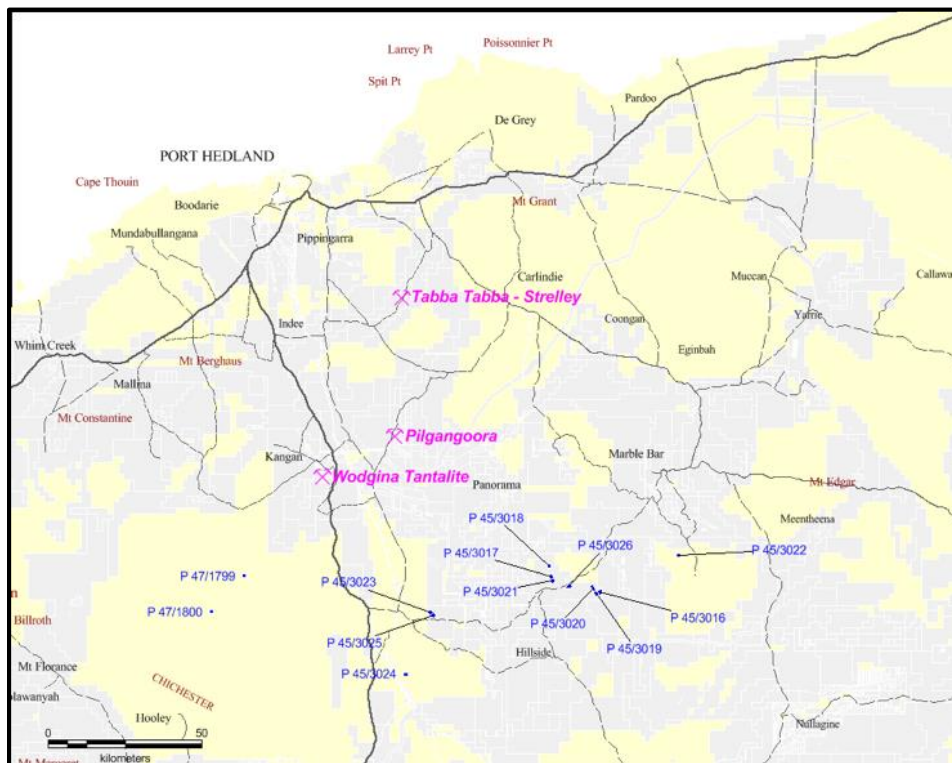


Figure 1: Location of Pilbara prospecting licence application



Figure 2: *Pegmatite samples taken from the Shaw River Prospect*



Figure 3: *Field mapping at the Woodstock Prospect, Railway Project*



Figure 4: *Outcropping pegmatites at the Woodstock Prospect, Railway Project*

Background to Pilbara Lithium Projects Asset Acquisition

Capital Mining announced the acquisition of 100% of Shaw River Lithium (“SRL”) on 13 May 2016. Completion of the acquisition remains subject to due diligence and satisfaction by the Company of all regulatory requirements. The Company anticipates due diligence will be completed in the near future.

SRL has applied for 13 prospecting licences across four locations in the Pilbara region which have been selectively geologically identified as having the potential for lithium. The locations comprise:

- Shaw River Group;
- South Yule Group;
- Railway Group; and
- Corunna Downs Prospect.

The licences cover multiple areas of tin and tantalum mineralisation, which are commonly pathfinders for lithium mineralisation.

-ENDS-

Peter Dykes

Director

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