

Capital Mining Limited

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ASX Release

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CAPITAL MINING COMMENCES DRILLING AT MAYFIELD GOLD PROJECT

Highlights

- **Drilling at Mayfield Project in south-eastern NSW to test continuity and extension of high grade mineralisation**
- **Program to be completed this month and results due by year end**
- **Mayfield works program designed to delineate a JORC 2012 Resource Estimate at the Project – Follow up resource definition drilling planned for 2017**
- **Capital also plans to commence next phase of drilling at nearby Chakola Project upon completion of drilling at Mayfield**
- **New high-potential gold targets identified along strike and down plunge of existing mineralisation at Chakola – Drilling to target extensions of these zones**

Capital Mining Limited (ASX: CMY) ("Capital" or "the Company") is pleased to announce the commencement of drilling at the Mayfield Gold Project (EL6358) in south-eastern New South Wales.

All requisite approvals for drilling have now been secured and drilling is planned to commence today.

Drilling will follow up previous, highly encouraging drill results reported at the Mayfield Project by Capital, and is designed to confirm the continuity and consistency of high-grade mineralisation within the project area, identified from previous drilling. Previous drilling intersections included up to; **32.3 g/t Gold, 44.5 g/t Silver and 15.4% Zinc** (ASX announcement 17 February 2012).

The initial program will consist of two Reverse Circulation (RC) drill holes totaling approximately 800 metres. It will drill test the down-dip and along-strike extensions of the known mineralisation at the Mayfield Project, as shown in Figure 1.

Drilling at Mayfield is expected to be completed this month and results will be released as they become available.

The Mayfield works program is designed to delineate a JORC 2012 compliant gold Resource Estimate at the Project and to drill test the surrounding terrain for similar high grade gold mineralisation. Subject to results of this initial drill program, follow up resource definition drilling is planned for early 2017.

About the Mayfield Project

The Mayfield Project is located in the minerals endowed Lachlan Fold Belt of eastern Australia within the highly prospective Braidwood Granodiorite geology, and hosts a significant gold-copper skarn deposit. Capital has a 51% equity interest in the Project. The remaining project ownership is held by Rutila Resources (46.5%) and Roberts Consulting (2.5%). The Mayfield Project forms part of an active exploration area, and is situated in close proximity to the world-class Majors Creek Gold Field, which hosts the significant Dargues Reef Gold Project, near the town of Braidwood (Figure 3: Project Location Map).

The Project has a JORC 2004 Resource Estimate of;

- Gold-copper dominant mineralisation: 4Mt @ 0.7 g/t gold, 0.4% copper, 8.8 g/t silver, 0.2% zinc and 25.4% iron; and
- Zinc dominant mineralisation: 0.9Mt @ 2.36% zinc, 5.9 g/t silver and 0.1% copper.

(See Table 1: Breakdown of Resource categories).

This Resource Estimate was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

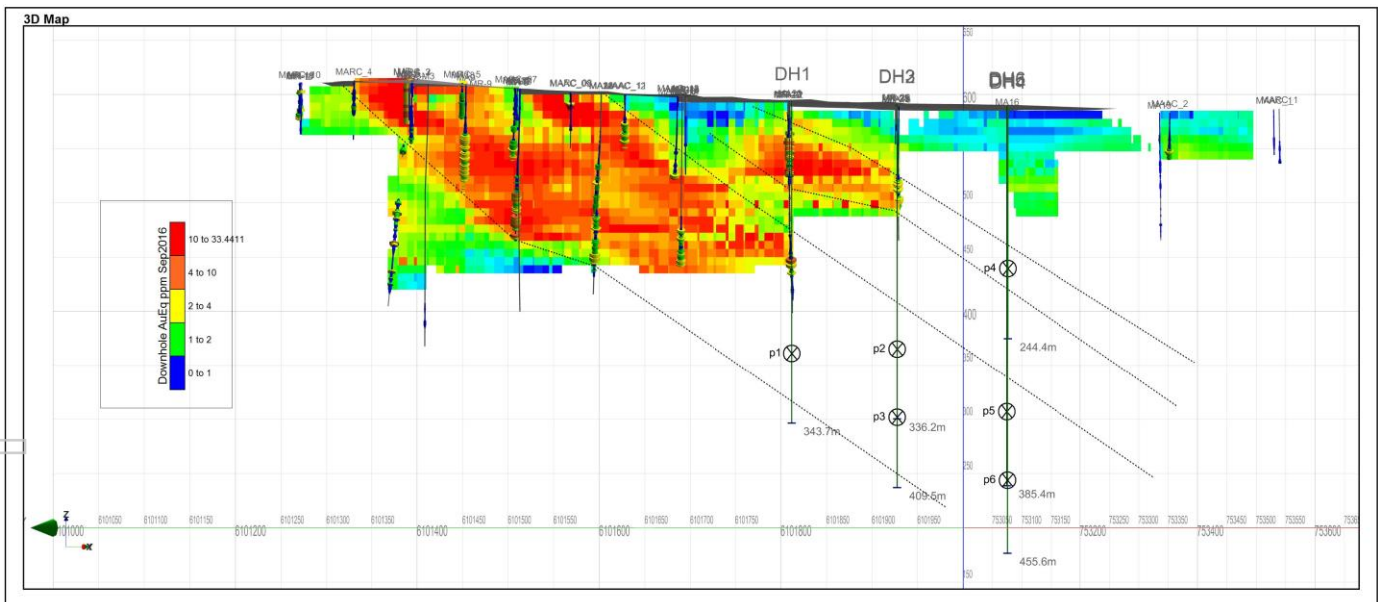


Figure 1: Mayfield Project - Trend of high grade gold (equivalent) mineralisation to be drill tested at depth.

Drilling at Chakola Gold and Base Metals Project

Capital also advises that it plans commence drilling at the Chakola Gold and Base Metals Project (EL 5697), also in south-eastern NSW (Figure 3: Project Location Map), upon completion of drilling at Mayfield.

The Company has undertaken a systematic review of existing drill data at the Harnett Deposit within the project area, and has identified a strong zone of gold mineralisation with a pronounced southerly plunge (refer Figure 2). It now plans to carry out an RC drill program to test the extensions to this highly attractive gold zone.

Capital is currently addressing regulatory and logistical requirements for the proposed drill program and will provide further details on the program and timing in due course.

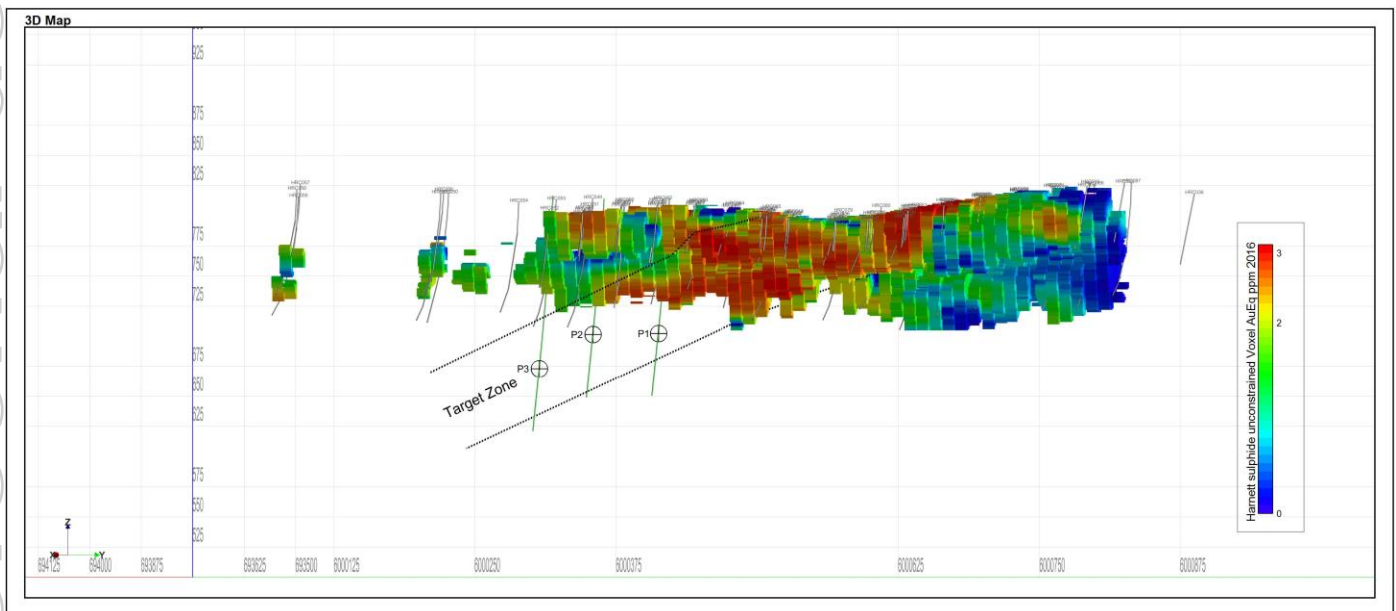


Figure 2: Chakola Project - Modelling of drill hole data from previous drilling at the Harnett deposit.

The Chakola Project has a JORC 2004 Resource Estimate at the Harnett Deposit of:

- 1.22Mt @ 0.8g/t gold, 0.5% copper, 8.1g/t silver, 0.4% lead and 0.7% zinc in Measured, Indicated and Inferred categories. (See Table 2: Breakdown of Resource categories).

This Resource Estimate was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

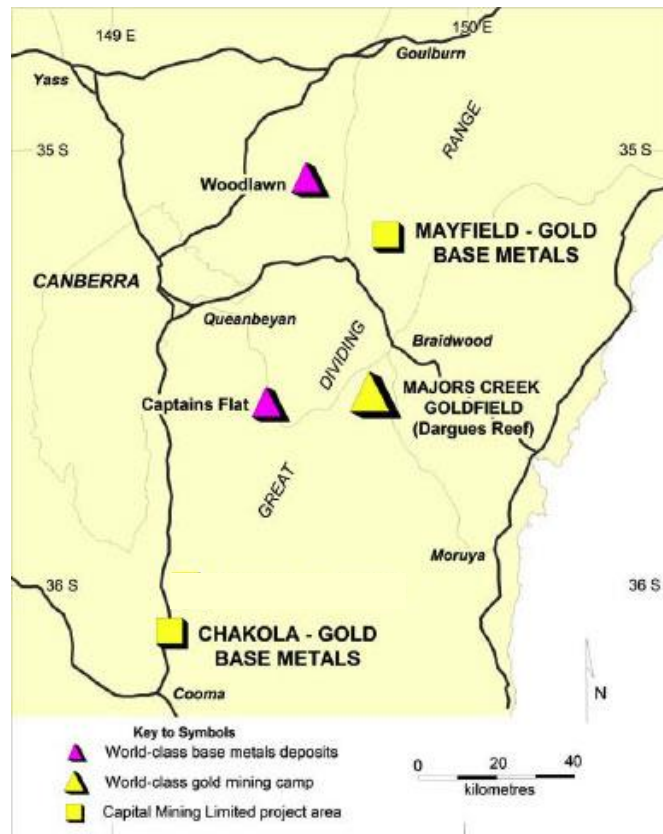


Figure 3: Capital Mining NSW Projects Location Map

-ENDS-

Peter Dykes
Director
Capital Mining Limited

About Capital Mining

Capital Mining Limited is an ASX listed junior mineral resources company focused on the acquisition and exploration of key, demand driven commodities. Its project portfolio includes lithium prospective assets in Western Australia and the Republic of Ireland, plus gold and base metals projects in New South Wales.

Competent Persons Statement

Statements contained in this report relating to exploration results and mineral resources on the Chakola and Mayfield Projects are based on information compiled by Mart Rampe, who is a Member of the Australasian Institute of Mining and Metallurgy and is an independent consultant geologist engaged by Capital Mining Limited. He has sufficient relevant experience in relation to the mineralisation styles being reported on, to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code). Mart Rampe consents to the use of applicable information in this report in the form and context in which it appears. The Company is reporting the historical exploration results under the 2004 edition of the Australian Code for the Reporting of Results, Mineral Resources and Ore reserves (JORC Code 2004) on the basis that the information has not materially changed since it was last reported.

RESOURCE CATEGORY	MINERALISATION TYPE	TONNES	Copper %	Gold g/t	Silver g/t	Zinc %	Iron %
Indicated	Copper-Gold Oxide	199,000	0.19	2.02	5.3	0.26	33.4
Inferred	Copper-Gold Oxide	3,335,000	0.42	0.70	9.2	0.16	24.0
Inferred	Copper-Gold Sulphide	450,000	0.47	0.49	7.7	0.49	32.0
	Total Copper-Gold	3,984,000	0.41	0.74	8.8	0.20	25.4
Indicated	Zinc Oxide	156,300	.11	.11	10.5	1.63	-
Inferred	Zinc Oxide	702,900	.11	.07	5.0	2.55	-
Inferred	Zinc Sulphide	68,300	.02	0.00	4.8	2.08	-
	Total Zinc	927,500	0.10	0.07	5.9	2.36	-
TOTAL ESTIMATED CONTAINED METAL							
			Copper	17,250	tonnes		
			Gold	94,800	ozs		
			Silver	1,303,000	ozs		
			Zinc	29,900	tonnes		
			Iron	1,010,000	tonnes		
1 troy oz = 31.103 grams							

Table 1: Mayfield Project – JORC 2004 Resource categories

CATEGORY	TONNES	Grade Gold Equiv_g/t	Mineralisation Type	Au_g/t	Cu_%	Ag_g/t	Pb_%	Zn_%
Measured	811,300	3.40	Copper-Gold	0.9	0.6	8.2	0.4	0.6
Indicated	115,900	3.43	Copper-Gold	0.6	0.7	7.5	0.3	0.5
Inferred	nil	-	Copper-Gold	-	-	-	-	-
Sub Total	927,200	3.4	Copper-Gold	0.9	0.6	8.1	0.4	0.6
Measured	258,500	2.23	Lead-Zinc	0.36	0.25	8.1	0.45	0.97
Indicated	21,200	2.44	Lead-Zinc	0.33	0.23	9.0	0.53	1.29
Inferred	13,300	1.94	Lead-Zinc	0.40	0.19	9.8	0.37	0.61
Sub Total	293,000	2.2	Lead-Zinc	0.36	0.25	8.2	0.45	0.98
TOTAL	1,220,000	3.1		0.8	0.5	8.1	0.4	0.7

Table 2: Chakola Project – JORC 2004 Resource categories