

# CAPITAL MINING LIMITED

ABN 69 104 551 171

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## NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

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TIME: 10.00am (AEST)  
DATE: Wednesday, 19 April 2017  
PLACE Thomson Geer  
Level 25, 1 O'Connell Street  
Sydney NSW 2000

***This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The General Meeting of the Shareholders of Capital Mining Limited which this Notice of Meeting relates to will be held at 10.00am AEST on Wednesday, 19 April 2017 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the proxy form enclosed and either:

- post to Capital Mining Limited, GPO Box 2517, Perth WA 6831;
- send by email to [info@capitalmining.com.au](mailto:info@capitalmining.com.au); or
- send on facsimile number +61 (0) 8 9463 6103,

so that it is received not later than 48 hours prior to the commencement of the meeting.

### **Proxy forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Capital Mining Limited will be held at 10.00am AEST on Wednesday, 19 April 2017 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

In accordance with Regulation 7.11.37 of the *Corporations Regulations*, the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding them at 7.00pm (AEST) on, Monday, 17 April 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 106,688,998 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### RESOLUTION 3 – PLACEMENT OF SHARES

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise \$2,000,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO MAINCOAST PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 50,000,000 Shares and 25,000,000 Options to Maincoast Pty Ltd (or their nominee(s)), on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Maincoast Pty Ltd (or their nominee(s)) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### BY ORDER OF THE BOARD

Elizabeth Hunt  
Company Secretary  
20 March 2017

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Capital Mining Limited to be held at 10.00am AEST on Wednesday, 19 April 2017 at: Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

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### RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SHARES

On 9 March 2017, the Company issued a total of 106,688,998 Shares to various parties being participants in a placement.

Of these 44,675,585 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 9 November 2016 and 62,013,413 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

#### ASX Listing Rule 7.1, 7.1A and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior Shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains Shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of these Resolutions, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on the Resolutions being passed by the requisite majority.

#### Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 62,013,413 Shares were issued pursuant to ASX Listing Rule 7.1 and 44,675,585 pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.009 per Share under both issue of Shares pursuant to ASX Listing Rules 7.1 and 7.1A;

- (c) the Shares were issued to various parties being participants in the placement, none of which are related parties of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares issued were for a total value of \$960,200; and
- (f) the funds raised from this issue will be used for exploration activities at the Company's NSW projects, Wolfhound Project in Ireland and Western Australian tenements, and for general working capital.

#### **Directors' Recommendation**

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to refresh the placement capacities under ASX Listing Rule 7.1 and 7.1A.

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#### **RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF SHARES**

As announced on 9 March 2017, the Company has entered into an agreement with Maincoast Pty Ltd to acquire the Scotia Cobalt Nickel Project located in Western Australia (**Maincoast Agreement**). Also on 9 March 2017, the Company issued a total of 5,000,000 Shares as an exclusivity payment as part of this Maincoast Agreement.

These 5,000,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 which was approved by Shareholders at the annual general meeting held on 9 November 2016.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

#### **ASX Listing Rule 7.1A and 7.4**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

#### **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (g) 5,000,000 Shares were issued pursuant to ASX Listing Rule 7.1;
- (h) the issue price was \$0.008 per Share under both issue of Shares pursuant to ASX Listing Rule 7.1;
- (i) the Shares were issued to the nominees of Maincoast Pty Ltd pursuant to the Maincoast Agreement, none of which are related parties of the Company;
- (j) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (k) the Shares issued were for a total deemed value of \$40,000; and
- (l) no funds were raised via the issue of these Shareholders as the issue represented the consideration for exclusivity to the Maincoast Agreement.

#### **Directors' Recommendation**

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution as it will enable the Company to refresh the placement capacity under ASX Listing Rule 7.1.

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## RESOLUTION 3 – PLACEMENT OF SHARES

Resolution 3 seeks Shareholder approval for the issue of up to that number of Shares that, when multiplied by the issue price, will raise up to \$2,000,000 ('Placement').

The effect of Resolution 3 will be to allow the Company to issue the Shares pursuant to the Placement during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

### ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here) prior approval of Shareholders is required for an issue of equity securities if those securities will, when aggregated with the equity securities issued by the Company during the previous 12 months without prior Shareholder approval or an exception to obtaining prior Shareholder approval, exceed 15% of the number of Shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to this Resolution to allow Shareholders to assess the proposed Placement;

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$2,000,000;
- (b) the Shares the subject of this Resolution will be issued no later than three (3) months after the date of this Meeting or such later date as approved by ASX and it is intended that the issue of Shares will occur progressively;
- (c) the issue price of the Shares will be at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares are recorded before the date on which the issue is made, or, if there is a prospectus, over the last 5 days on which sales in the Shares are recorded before the date the prospectus is signed, calculated in accordance with listing rule 7.3.3;
- (d) the subscribers in respect of this Resolution are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. No subscriber will be a related party of the Company;
- (e) no Shares will be issued to any subscriber (including any associates) where their resultant shareholding would exceed 20% of the Company's issued capital;
- (f) the Shares to be issued will rank pari-passu on issue with the existing fully paid ordinary Shares of the Company; and
- (g) the Company intends to use the funds raised by the Placement to:
  - undertake the next phase of drilling at the Mayfield Project in NSW as identified by the Company (refer ASX Announcement dated 15 Marcy 2017);
  - drilling at the Chakola Project (NSW) following encouraging EM survey results;
  - next phase of exploration, including identification of drill targets, at the Wolfhound Project in Ireland;
  - follow up fieldwork at the Company's Western Australian projects;
  - review of potential acquisition of additional exploration assets;
  - and general working capital purposes.

### Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 3. The Board recommends Shareholders vote in favour of Resolution 3 as it will enable the Company to fund its ongoing commitments.

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## RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO MAINCOAST PTY LTD

Resolution 4 seeks Shareholder approval for the issue of 50,000,000 Shares and 25,000,000 Options to Maincoast Pty Ltd (or their nominee(s)).

As announced on 9 March 2017, the Company has entered into an agreement with Maincoast Pty Ltd to acquire the Scotia Cobalt Nickel Project located in Western Australia. Consideration for the acquisition is 50,000,000 Shares and 25,000,000 Options (**Acquisition**). The issue of the Acquisition Shares and Options is subject to the completion of technical due diligence by the Company.

The effect of this Resolution will be to allow the Company to issue the Shares and Options pursuant to the Acquisition during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here) prior approval of Shareholders is required for an issue of equity securities if those securities will, when aggregated with the equity securities issued by the Company during the previous 12 months without prior Shareholder approval or an exception to obtaining prior Shareholder approval, exceed 15% of the number of Shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to this Resolution to allow Shareholders to assess the proposed issue;

- (h) the maximum number of Securities to be issued is 50,000,000 Shares and 25,000,000 Options;
- (i) the Shares and Options the subject of this Resolution will be issued no later than three (3) months after the date of this Meeting or such later date as approved by ASX and it is intended that the issue of Shares and Options will occur on a single date;
- (j) the deemed issue price of the Shares is \$0.008 and nil for the Options;
- (k) the allottees in respect of this Resolution are Maincoast Pty Ltd (or their nominee(s)), none of which will be a related party of the Company;
- (l) the Shares to be issued will rank pari-passu on issue with the existing fully paid ordinary Shares of the Company;
- (m) the terms and conditions of the Options to be issued are set out in Annexure A; and
- (n) no funds will be raised from the issue of these Shares and Options as they represent consideration for the Acquisition.

### **Directors' Recommendation**

None of the Directors has a material personal interest in the subject matter of Resolution 4. The Board recommends Shareholders vote in favour of Resolution 4 as it will enable the Company to proceed with the acquisition, subject to satisfactory due diligence.



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## GLOSSARY

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For assistance in considering the Notice and accompanying Explanatory Statement, the following words are defined here:

**\$** means the official currency of the Commonwealth of Australia.

**AEST** means Australian Eastern Standard Time.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the General Meeting.

**Company** means Capital Mining Limited (ACN 104 551 171).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth).

**Corporations Regulations** means the *Corporations Regulations 2011* (Commonwealth).

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**General Meeting** or **Meeting** means the General Meeting of the Company convened by this Notice of Meeting.

**Listing Rules** means the Listing Rules of the ASX.

**Notice** or **Notice of Meeting** means this Notice of the General Meeting including the Explanatory Statement and Proxy Form.

**Option** means a listed option to acquire a Share(s).

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form enclosed with the Notice.

**Resolutions** means the resolutions proposed in the Notice.

**Security or Securities** means a Share and/or Option.

**Security Holder** means a holder of a Security.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Australian Western Standard Time.

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**ANNEXURE A – TERMS AND CONDITIONS OF \$0.02, THREE YEAR OPTIONS**

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on the date three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **ASX Quotation**

The Company does not intend to apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**CAPITAL MINING LIMITED**

**ACN 104 551 171**

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**PROXY FORM**

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Name  
Address

**Appointment of a proxy**

I/We being a member(s) of Capital Mining Limited hereby appoint:

\_\_\_\_\_

(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, but subject to relevant laws, as the proxy sees fit) at the General Meeting of Capital Mining Ltd to be held at 10.00am AEST on Wednesday, 19 April 2017 at Thomson Geer, Level 25, 1 O'Connell Street, Sydney NSW 2000 and at any adjournment of that meeting.

**Votes on items of business**

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
Resolution 1	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares and Options to Maincoast Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote any undirected proxies in favour of all Resolutions.

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Authorised signature(s)**

\_\_\_\_\_

**INDIVIDUAL/SECURITY HOLDER 1**  
Individual/Sole Director and Sole  
Company Secretary

\_\_\_\_\_

**SECURITY HOLDER 2**  
Director

\_\_\_\_\_

**SECURITY HOLDER 3**  
Director/Company Secretary

**Contact details**

**Contact Email address**

**Contact Telephone Number**

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## Voting By Proxy - How to complete the Proxy Form

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company 7.00pm (AEST) on Monday, 17 April 2017.

1. **Appointing a Proxy:** A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the General Meeting. If a member is entitled to cast 2 or more votes at the General Meeting, the member may appoint a second proxy to attend and vote on their behalf at the General Meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose subject to relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **New sections 250BB and 250BC of the Corporations Act)** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

**Proxy vote if appointment specifies way to vote:** Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**Transfer of non-chair proxy to chair in certain circumstances:** Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;
  - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**4. Signing Instructions:**

- (Individual): Where the holding is in one name, the member must sign.
- (Joint Holding): Where the holding is in more than one name, all of the members should sign.
- (Power of Attorney): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- (Companies): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

**5. Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

**6. Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Capital Mining Limited, GPO Box 2517, Perth WA 6831;
- send by email to [info@capitalmining.com.au](mailto:info@capitalmining.com.au); or
- send on facsimile number +61 (0)8 9463 6103,

so that it is received not later than 48 hours prior to commencement of the meeting.