

## DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

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### HIGHLIGHTS

#### Mukinbudin

- Mukinbudin REE Project acquired
- Initial field reconnaissance indicates multiple zoned and potentially fractionated pegmatites

#### Northampton

- Aeromagnetic survey completed, yielding important preliminary insights
- RC drilling imminent

#### The Island Gold Project

- Follow up RC drilling at Solis was completed with 13 holes for 1,526m
- The drilling returned further shallow gold mineralisation in multiple holes with better results including:
  - **2m @ 6.4g/t Au** from 51m, in 22IGRC0143; and
  - **1m @ 2.2g/t Au** from 62m in 22IGRC0135

#### Capital Raising

- \$1.3 million placement undertaken with Tranche 1 completed raising \$1.0 million (before costs). Tranche 2 of \$0.3m is subject to shareholder approval with a meeting to be held this quarter
- Cash at the end of the quarter was \$1.8m

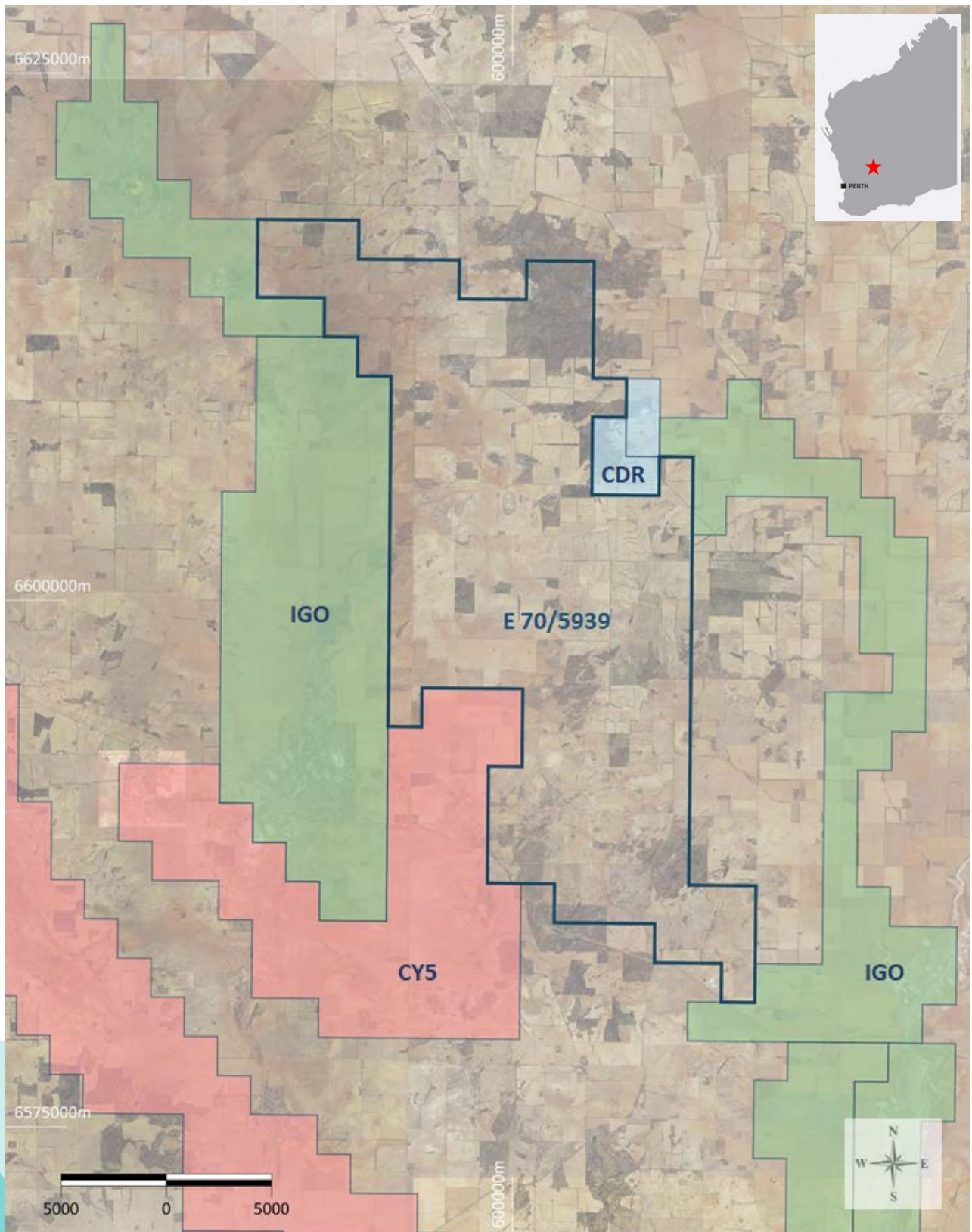
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### Mukinbudin REE Project

#### Acquisition

During the quarter, Caprice secured 100% of the Mukinbudin Rare Earth Element Project ("Mukinbudin", "the Project"). The Project is located 25km northwest of Mukinbudin and 250km northeast of Perth in Western Australia. The Project consists of one Exploration Licence, E70/5939, and covers 380km<sup>2</sup>.

The region is known to host many pegmatites, with E70/5939 known to contain several such intrusives. The potential for pegmatites to host REE enriched zones in the region has been demonstrated at the Karloning Pegmatite that was recently acquired by Codrus Minerals (see ASX: CDR 23 November 2022). This project is located directly adjacent to the Mukinbudin Project (see Figure 1).



**Figure 1:** Mukinbudin Project E 70/5939, with adjacent tenement holders of note - Green: IGO Limited [IGO], Red: Cygnus Gold Limited [CY5], Blue: Codrus Minerals Limited [CDR] (both granted and pending).

Subject to shareholder approval at a meeting to be convened this quarter, consideration payable for the Acquisition is:

- 7,780,000 CRS ordinary fully paid shares (50% escrowed for 6 months and 50% escrowed for 12 months);
- 7,000,000 unquoted options with a \$0.10 exercise price and 3 year expiry; and
- 15,000,000 unquoted options with a \$0.20 exercise price and 3 year expiry.

### Exploration

Late in the quarter, a brief mapping and sampling program was undertaken at the Project.

The program involved following up a number of anomalies identified from an air photo study.

Whilst there were at least three pegmatites already known within the Project, mapping and sampling from this program, as well as during the due diligence period, has identified at least another five pegmatites. Significantly, less than 20% of the Project has been assessed on-ground.

Given the Project was acquired late in the quarter, the recent program was of a reconnaissance nature, with grab samples taken from available exposures across the 8 pegmatites.

Of the pegmatites sampled, field mapping indicated evidence of compositional zonation, characteristic of larger fractionated pegmatites.



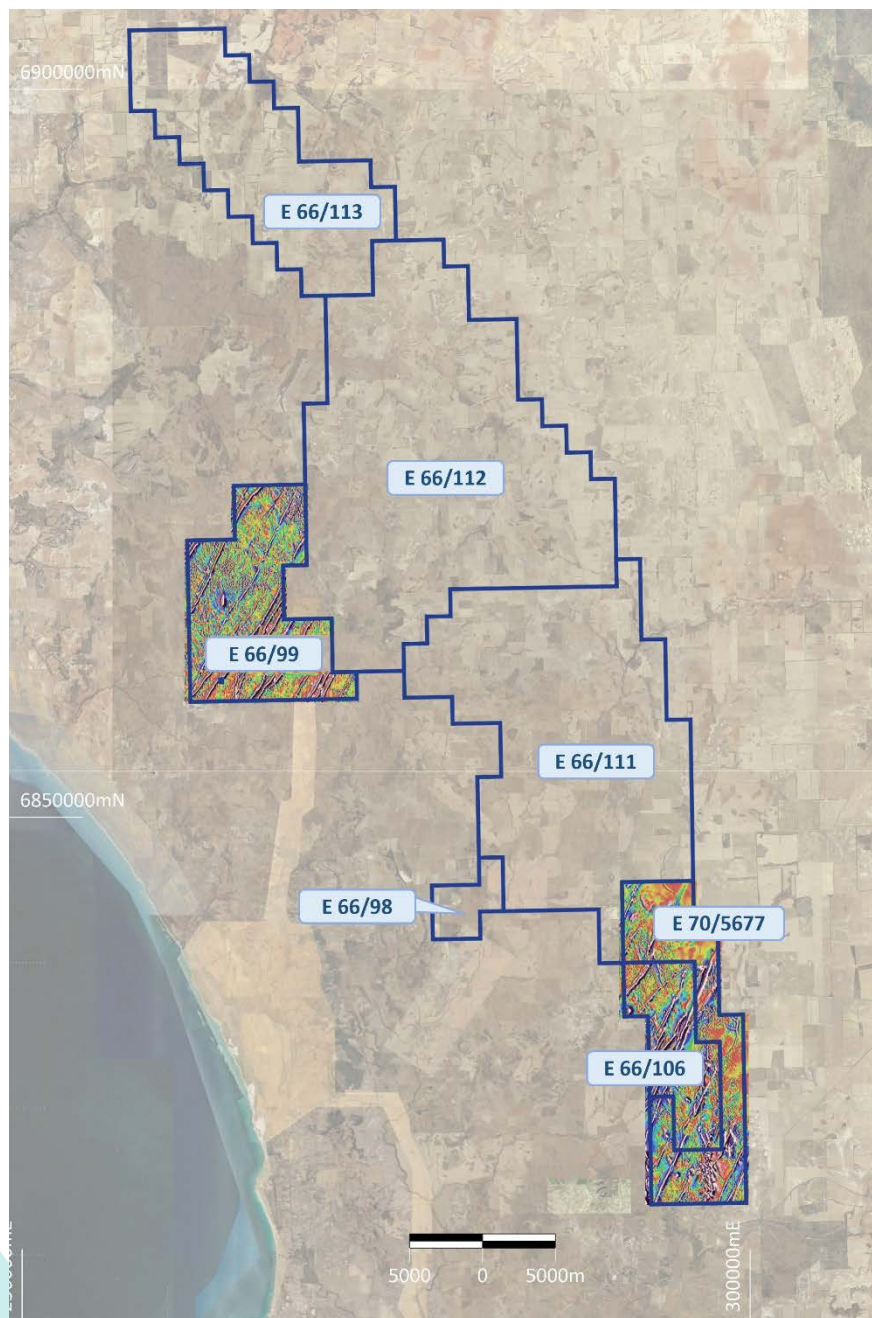
**Figure 3:** Myrmakitic and graphic textured pegmatite from Cosh's North pegmatite quarry



## Northampton Project

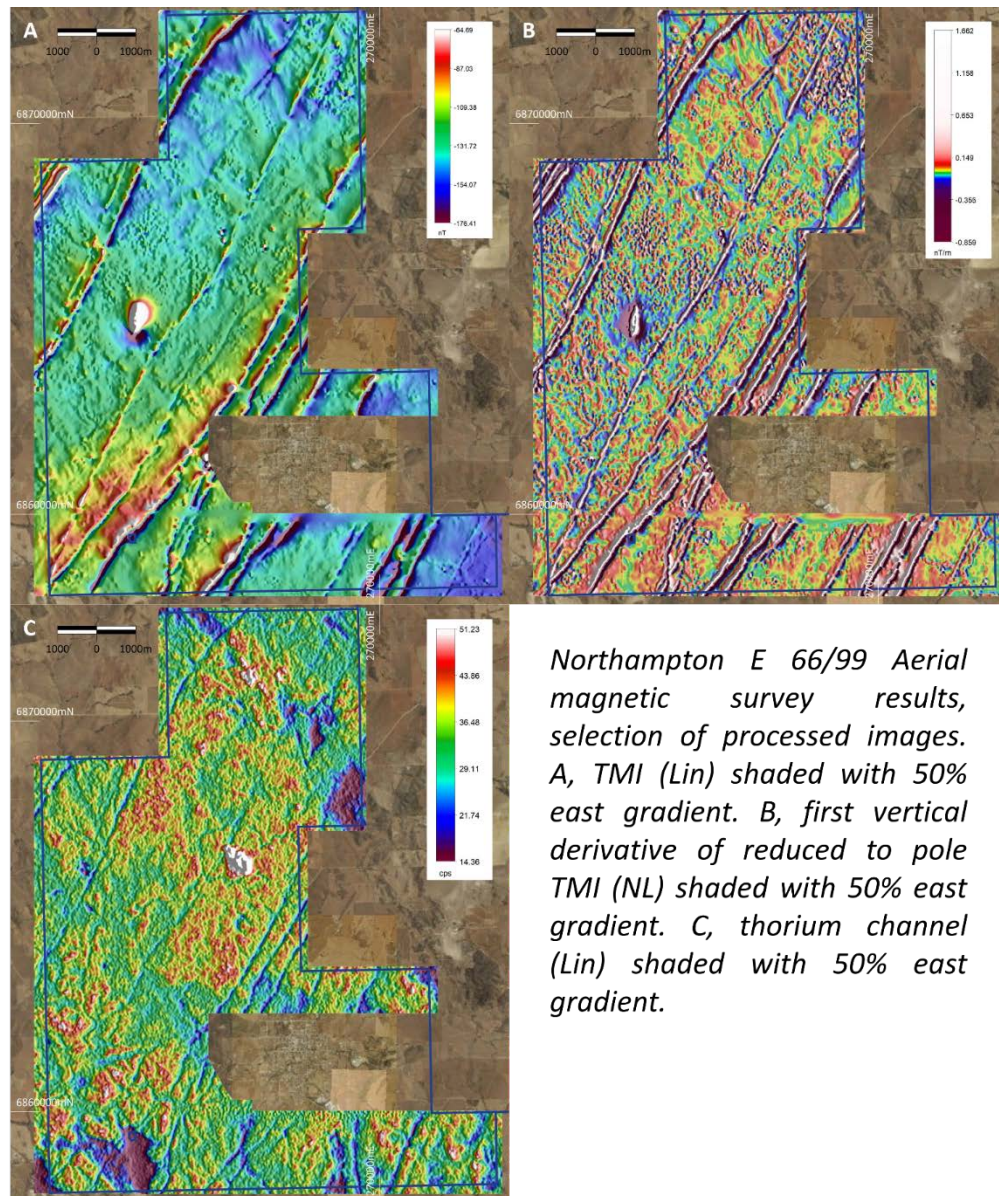
### Aerial Magnetic Survey

An aerial magnetic survey was completed by Magspec Airborne Surveys in October and covered tenements E 66/99 (western block), E 66/106 and E 70/5677 (southern block) at the Northampton Project. The survey also included the capture of a detailed digital elevation model and radiometric data.

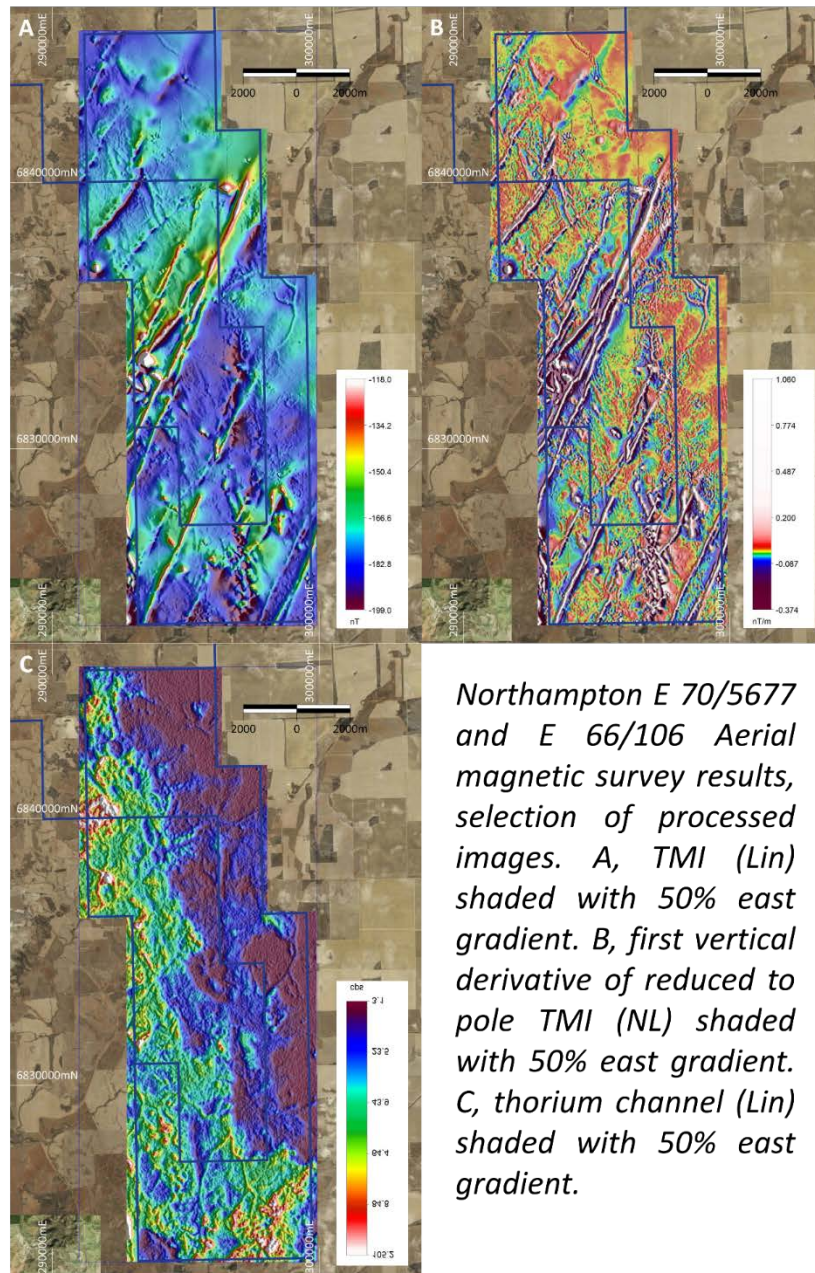


**Figure 4:** Plan of the Northampton Project showing the two separate survey areas, the western block over E 66/99, and the southern block over E 66/106 and E 77/5677.

Several preliminary areas of interest have been identified following an initial review of the magnetic and radiometric data. These will be investigated in the near future as part of ongoing reconnaissance programs across the project area. These include several large discordant magnetic and radiometric highs, see Figures 5 and 6 below. Additional targets are expected once detailed structural and geological interpretations are completed.







**Figure 6:** A selection of processed images from the aerial magnetic survey across the southern block.

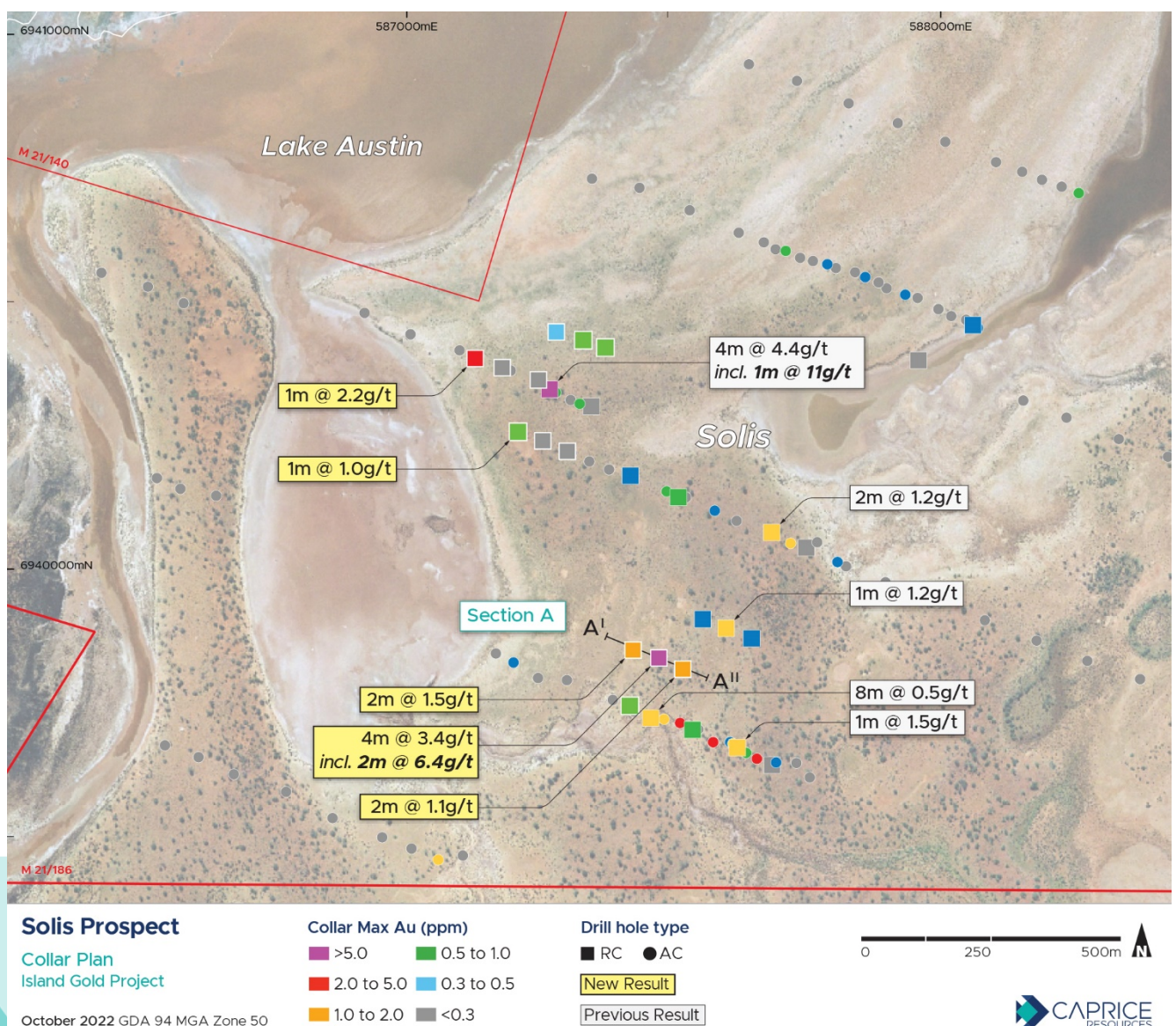
A second aerial magnetic survey is being scheduled for 2023 over interpreted large intrusive bodies located along the eastern margin of the Northampton Project.

## The Island Gold Project

### Solis RC Drilling

The Solis Prospect, located within the Island Gold Project ("IGP"), is at the southern end of Lake Austin within E 21/186. Aircore drilling earlier in the year delineated a +1km gold in regolith anomaly with multiple +1g/t gold intercepts.

The second follow up RC program tested discrete targets within the broad regolith anomaly down to c.140m, with 13 holes completed for 1,526m.



**Figure 7:** Solis drill collar locations, coloured by Max Au in hole, with new RC results in yellow.



Better results from the latest RC program include:

- **2m @ 6.4g/t Au** from 51m, in 22IGRC0143;
- **1m @ 2.2g/t Au** from 62m in 22IGRC0135;
- **2m @ 1.5g/t Au** from 83m in 22IGRC0144;
- **1m @ 1.7g/t Au** from 62m in 22IGRC0143;
- **1m @ 1.2g/t Au** from 94m in 22IGRC0144; and
- **1m @ 1.1g/t Au** from 21m in 22IGRC0142.

Like the 4m @ 4.4g/t from the previous RC program, the high-grade intercept in 22IGRC0143 of 2m @ 6.4g/t Au is on a sheared geological contact between a mafic (tholeiitic) and high-Mg basalt units. The mineralisation is associated with sericite-chlorite-carbonate shear zone with minor quartz-carbonate veining.

Hole 22IGRC0143 is approximately 100m due north of the 8m @ 0.5g/t Au from 45m in 22IGRC0121 and is interpreted to be on the same geological contact.

There is good grade continuity in the southern area of Solis, with mineralisation consistently traced across at least 5 RC holes, over 100m down dip and at least 100m of strike north-south. Significantly, the mineralisation remains open.

This consistency, as well as the higher grades, highlights that the contact between tholeiitic basalt and high Mg basalt is the most fertile mineralising position encountered to date and will be a focus for future exploration.

## Wild Horse Hill Project

A high-level targeting study was completed for the Wild Horse Hill Project by external consultants, assessing the potential for other commodities. This review is currently being assessed to ascertain next steps.

## Corporate

As at the end of the quarter, Caprice had a cash position \$1.8 million (not including the second tranche of the placement of \$0.3 million as set out below).

### Capital Raise

In conjunction with the acquisition of the Mukinbudin REE Project, Caprice received firm commitments to raise \$1.3 million (before costs) through a strongly supported share placement to institutional and sophisticated investors at \$0.05 per share ("**Placement**").

The Placement is completing over two tranches with a total of 26,755,680 shares to be issued raising \$1,337,784 (before costs). The first tranche, raising approximately \$1.0 million, completed on 22



December 2022, with the second tranche due to complete this quarter, subject to shareholder approval. The Company is pleased to advise that of the 6,200,000 tranche 2 shares, Directors have subscribed for 1,200,000 shares and the vendors of the Mukinbudin Project have subscribed for 4,000,000.

## Next Steps

### Northampton

RC drilling is due to commence very shortly testing the Lady Sampson base metals mineralisation at Yungaro, towards the southern end of the Northampton Project. This drilling will give important insights into the grade and thickness as well as zonation of mineralisation in north south structural orientation.

Ground truthing and follow up reconnaissance from the airmag survey, as well as assessing pegmatite potential is ongoing.

### Mukinbudin REE Project

Following the preliminary reconnaissance sampling and mapping program at Mukinbudin, more field work will involve evaluating other areas of the tenement once access is granted to assess for the potential of additional pegmatites and their likelihood to host REE mineralisation.

### Island Gold Project

The encouraging RC results from Solis indicate more follow up is warranted. In addition, aircore drilling on the other islands, Estrella and Luna, is planned, however the Company's near-term focus remains on Northampton and Mukinbudin.

Caprice continues to await heritage feedback to enable on-ground access at Cuddingwarra and Big Bell South. Once access is granted, first plans are ground geophysics and soil sampling.

This announcement has been authorised for release by the Board of Caprice.

## For further information please contact:

Andrew Muir  
Managing Director  
P: (08) 6365 5200

## Competent Persons' Statements

The information in this report that relates to exploration results has been compiled by Mr Christopher Oorschot, a full-time employee of Caprice Resources Ltd. Mr Oorschot is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("JORC Code"). Mr Oorschot consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The results have been previously reported in accordance with Listing Rule 5.7 and the Company confirms there have been no material changes.

The information in this report that relates to pegmatite hosted REE potential and exploration results has been compiled by Mr Jeremy Clark, the sole director of Lily Valley International which is engaged by Caprice Resources Ltd. Mr Clark is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("JORC Code"). Mr Clark consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## About Caprice Resources

Caprice Resources Limited (ASX: CRS) holds a number of project areas across a range of commodities:

- A 100% interest in the Mukinbudin REE Project, approximately 250km northeast of Perth;
- A 100% interest in the Northampton Project, a polymetallic brownfields project surrounding historical lead-silver and copper mines that were operational between 1850 and 1973;
- A 100% interest in the Island Gold Project, located in the Lake Austin gold mining centre in the Cue Goldfield;
- An 80% interest in the Cuddingwarra and Big Bell South Projects, located to the west and southwest of Cue in the Cue Goldfield; and
- A 100% interest in the Wild Horse Hill Gold Project located within the Pine Creek province of Northern Territory.



## Appendix 1: Schedule of Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2022.

The Company secured a 100% interest in the Mukinbudin REE Project during the quarter (subject to shareholder approval). No interests were disposed of during the quarter.

| Project        | Licence Number | Location           | Interest        |
|----------------|----------------|--------------------|-----------------|
| Island Gold    | M 21/66        | Western Australia  | 100%            |
|                | M 21/140       | Western Australia  | 100%            |
|                | E 21/186       | Western Australia  | 100%            |
| Northampton    | E 66/98        | Western Australia  | 100%            |
|                | E 66/99        | Western Australia  | 100%            |
|                | E 66/111       | Western Australia  | 100%            |
|                | E 66/112       | Western Australia  | 100%            |
|                | E 66/113       | Western Australia  | 100%            |
|                | E 66/106       | Western Australia  | 100%            |
|                | E 70/5677      | Western Australia  | 100%            |
|                | EL 30951       | Northern Territory | 100%            |
|                | EL 30964       | Northern Territory | 100%            |
| Big Bell South | E 21/0193      | Western Australia  | 80%             |
| Cuddingwarra   | E 21/0192      | Western Australia  | 80%             |
|                | P 20/2256      | Western Australia  | 80%             |
|                | P 20/2257      | Western Australia  | 80%             |
|                | P 20/2258      | Western Australia  | 80%             |
|                | P 20/2259      | Western Australia  | 80%             |
|                | P 20/2260      | Western Australia  | 80%             |
|                | P 20/2261      | Western Australia  | 80%             |
|                | P 20/2262      | Western Australia  | 80%             |
|                | P 20/2263      | Western Australia  | 80%             |
|                | P 20/2264      | Western Australia  | 80%             |
|                | P 20/2265      | Western Australia  | 80%             |
|                | P 20/2266      | Western Australia  | 80%             |
|                | P 20/2267      | Western Australia  | 80%             |
|                | P 20/2268      | Western Australia  | 80%             |
|                | P 20/2269      | Western Australia  | 80%             |
|                | P 20/2272      | Western Australia  | 80%             |
|                | P 20/2273      | Western Australia  | 80%             |
|                | P 20/2274      | Western Australia  | 80%             |
|                | P 20/2275      | Western Australia  | 80%             |
|                | P 20/2382      | Western Australia  | 80%             |
| Mukinbudin     | E70/5939       | Western Australia  | 100% Beneficial |

## **Appendix 2: Disclosures in relation to Quarterly Cashflow Report**

In line with obligations under ASX Listing Rule 5.3.5, Caprice notes that the payments to related parties of the Company, as advised in the Appendix 5B (Quarterly Cashflow Report) for the period ended 31 December 2022, pertain to director fees, salaries and wages (including superannuation), advisory fees and contracting fees for labour and equipment hire paid during the quarter ended 31 December 2022. The Company notes that all fees are agreed on standard commercial terms.

During the quarter ended 31 December 2022, the Company spent a total of \$264,000 on project and exploration activities. The majority of the project and exploration expenditure relates to drill program activities and assaying undertaken at the Island Gold Project and geophysics at the Northampton Project.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**Caprice Resources Limited**

ABN

**96 624 970 725**

Quarter ended ("current quarter")

**31 December 2022**

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | -                          | -                                     |
| 1.2                                  | Payments for  |                            |                                       |
|                                      | (a) exploration & evaluation                          | -                          | -                                     |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production  | -                          | -                                     |
|                                      | (d) staff costs                                       | (174)                      | (353)                                 |
|                                      | (e) administration and corporate costs                | (119)                      | (289)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | 3                          | 5                                     |
| 1.5                                  | Interest and other costs of finance paid              | (1)                        | (2)                                   |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                                     |
| 1.8                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(291)</b>               | <b>(639)</b>                          |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) exploration & evaluation                          | (264)                      | (520)                                 |
|                                      | (e) investments                                       | -                          | -                                     |
|                                      | (f) other non-current assets                          | -                          | -                                     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) entities  | -                                  | -  |
|   | (b) tenements   | -                                  | -  |
|   | (c) property, plant and equipment                     | -                                  | -  |
|   | (d) investments                                       | -                                  | -  |
|   | (e) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | -  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Other (Security deposit)                              | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(264)</b>                       | <b>(520)</b>                                   |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 1,028        | 1,028        |
| 3.2         | Proceeds from issue of convertible debt securities                                      | -            | -            |
| 3.3         | Proceeds from exercise of options   | -            | -            |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | (6)          | (6)          |
| 3.5         | Proceeds from borrowings  | -            | -            |
| 3.6         | Repayment of borrowings   | -            | -            |
| 3.7         | Transaction costs related to loans and borrowings                                       | -            | -            |
| 3.8         | Dividends paid  | -            | -            |
| 3.9         | Other - payment of finance lease liability  | (9)          | (18)         |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>1,013</b> | <b>1,004</b> |

|           |  |       |       |
|-----------|--|-------|-------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |       |
| 4.1       | Cash and cash equivalents at beginning of period                             | 1,346 | 1,959 |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (291) | (639) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (264) | (520) |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | 1,013 | 1,004 |



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                                     |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>1,804</b>               | <b>1,804</b>                          |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 1,804                      | 1,346                       |
| 5.2 | Call deposits  | -                          | -                           |
| 5.3 | Bank overdrafts  | -                          | -                           |
| 5.4 | Other (provide details)  | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>1,804</b>               | <b>1,346</b>                |

| 6.  | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 124                        |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

|   |   |  |
|---|---|--|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| 7.4 <b>Total financing facilities</b>   | -   | -  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |
|   |   |  |

|   |                |
|---|----------------|
| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (item 1.9)   | (291)          |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))  | (264)          |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2)  | (555)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 1,804          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 1,804          |
| 8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | 3.3            |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> |                |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:   |                |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?   |                |
| Answer: N/A   |                |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?              |                |
| Answer: N/A   |                |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?   |                |
| Answer: N/A   |                |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>  |                |



## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The Board of Caprice Resources Limited  
(Name of body or officer authorising release – see note 4)

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.