

## JUNE 2023 QUARTERLY ACTIVITIES REPORT

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### HIGHLIGHTS

#### Mukinbudin

- Access agreement signed and POW submitted for maiden RC drill program at Gadolin Rare Earth Element (REE) anomaly
  - Drilling planned for September quarter
- Gadolin extended to over 1km length with up to 3,761ppm REOs and up to 21% heavy REOs
- Three additional priority REE anomalies identified from soil sampling
- Ongoing reconnaissance sampling to firm up additional drill targets

#### Northampton

- Excellent base metals results from Phase 2 RC drilling at Lady Sampson including:
  - **7m @ 4.4% lead, 1.6% zinc & 3.7 g/t silver** from 26m,
    - *incl. 2m @ 7.7% lead, 1.0% zinc & 4.6 g/t silver* from 28m,
  - **15m @ 1.5% lead, 0.2% zinc & 1.0 g/t silver** from 27m,
    - *incl. 1m @ 4.6% lead, 3.1% zinc & 9.9 g/t silver* from 27m and
  - **1m @ 1.1% copper & 2.7 g/t silver from 69m.**
- Ultrafine soil sampling demonstrated as a powerful exploration tool for future

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### Mukinbudin REE Project

#### Field Work

During the quarter, work continued at the Mukinbudin Rare Earth Element Project, located 25km northwest of Mukinbudin and 250km northeast from Perth in Western Australia.

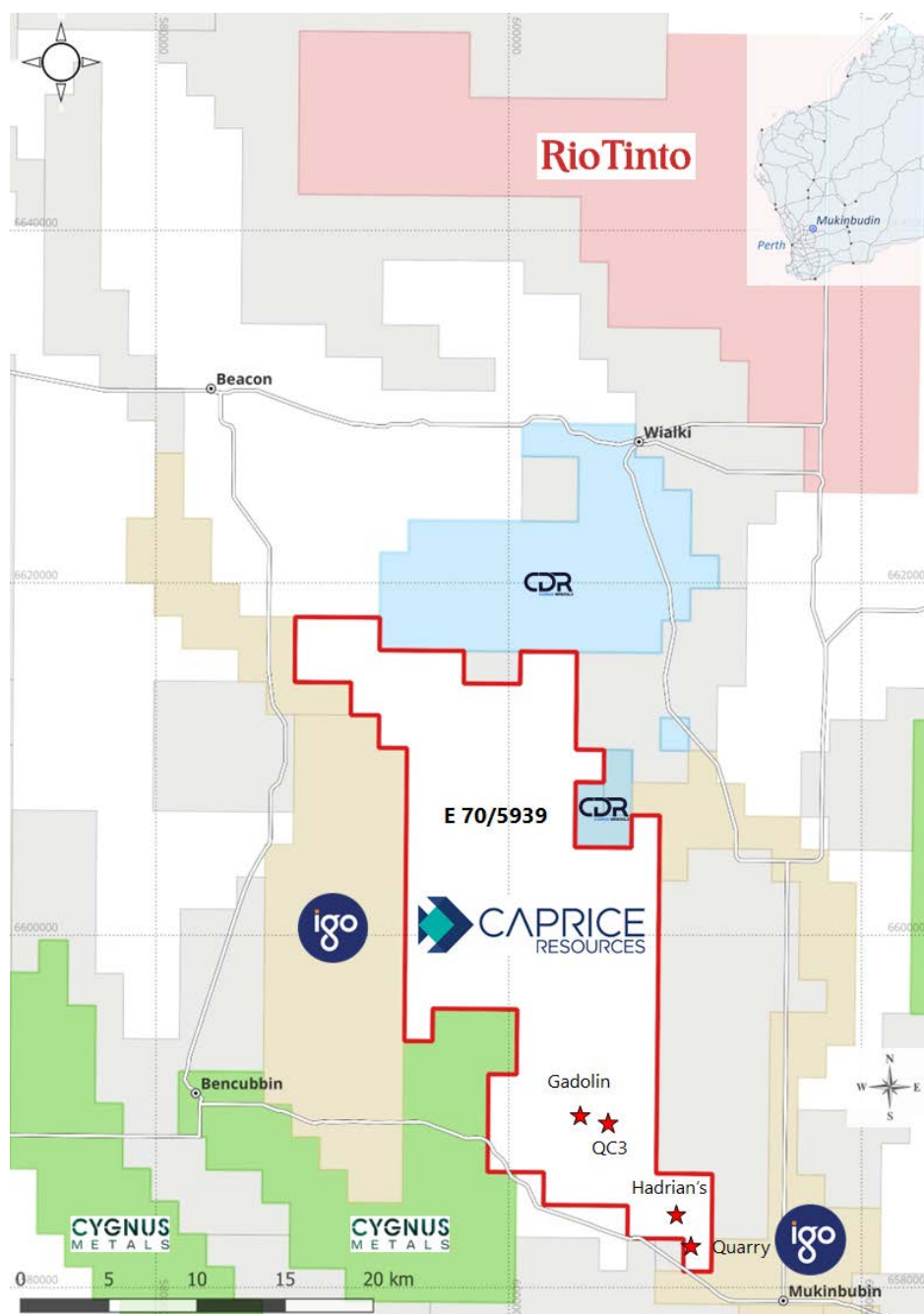
Caprice has a systematic approach to exploration on the Project with work to date focusing on defining targets for the initial drill program to test for REE mineralisation. Exploration continues to further enhance the understanding of the REE potential of the Project.

Since the Project was acquired in late 2023, Caprice has completed multiple soil sampling programs in a number of areas in the southern half of the tenement.

#### Gadolin

The sampling delineated a significant soil anomaly on an area called Gadolin, which coincides with an outcropping zoned pegmatite.

Work to date has delineated a REE anomaly of least 1km in strike with both rock chips and soil samples elevated in REEs (up to 3,761ppm REOs) and remains open along strike. The average HREE component from the samples is over 19%.



**Figure 1:** Mukinbudin REE Project

Of note is a +300m long by 200m wide area of +1,000ppm REO in the south eastern corner of the anomaly. This is coincident with an area of porphyritic granite outcrop and subcrop. The association

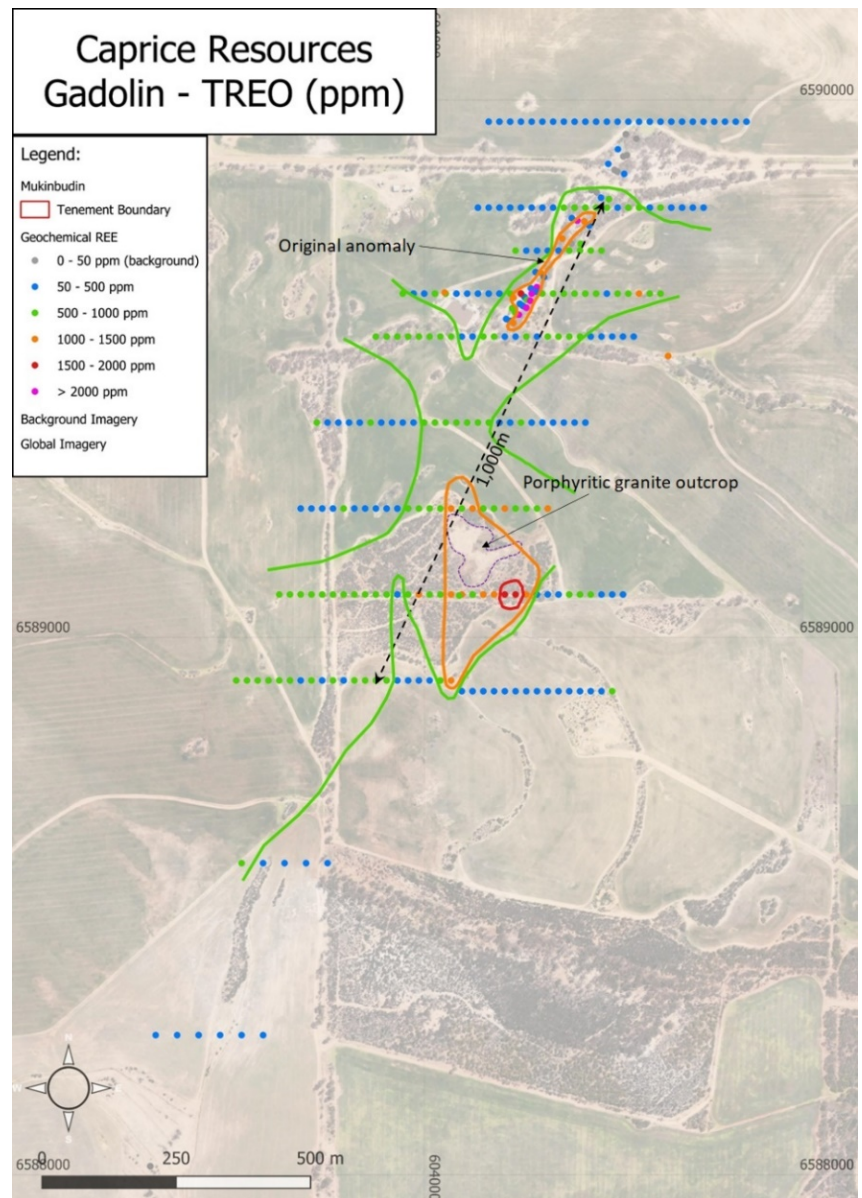
between the granite and higher-grade zone is very promising and may represent the potential for granite hosted REE mineralisation.

This could be very significant, as it may add a third type of mineralisation style to assess, in addition to the previously recognised pegmatite hosted and clay hosted mineralisation.

An access agreement has been signed with the farmer that pertains to the farm that Gadolin is situated on. A Program of Works (POW) has been submitted to DMIRS for drilling Gadolin, with a view to undertaking the maiden RC program on the prospect in the September quarter.

#### Hadrian's

The Hadrian's prospect is located 6km to the south east of Gadolin, and has similar geological and geographical characteristics to Gadolin. The prospect has an outcropping quartz ridge and associated alteration, in close proximity to a porphyritic granite outcrop.



### Quarry

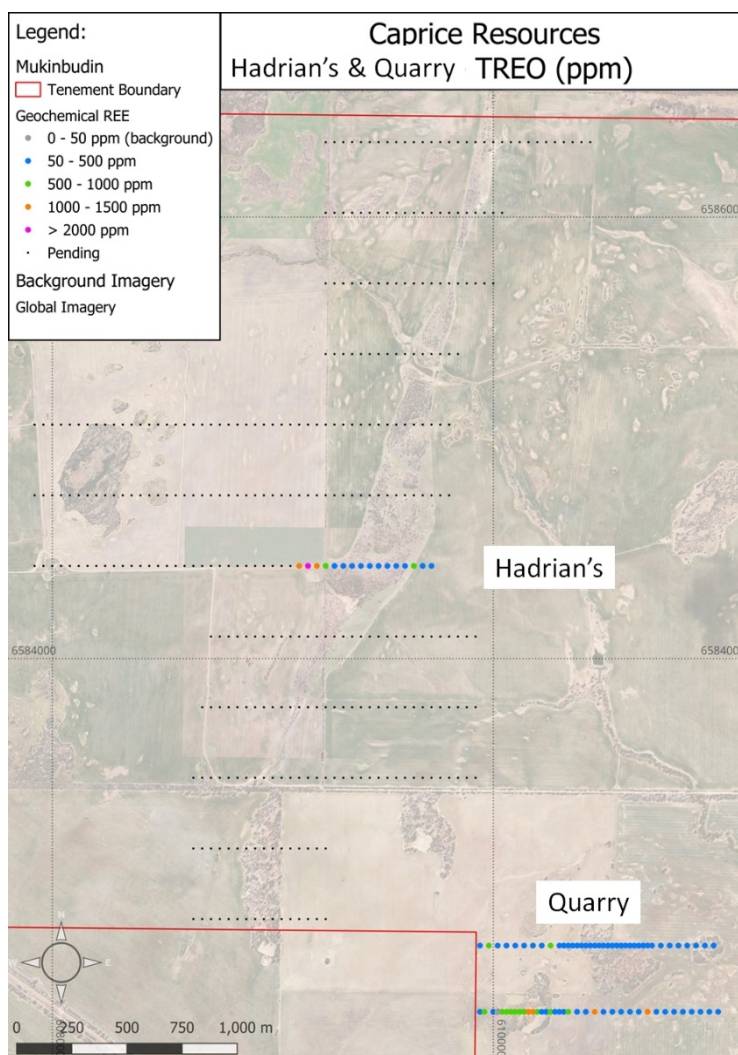
The Quarry prospect is located 8.5km south-southeast of Gadolin and is targeting a northeast oriented structure and outcrop. Two 1,100m long sampling traverses with 20-40m spaced samples were completed, 300m apart over two programs. The sampled delineated elevated REE on the western end of the southern traverse with multiple +500ppm REO's and several above 1,000ppm REO.

Further sampling work is being planned to assess the Quarry prospect.

### QC3

The QC3 prospect is located 1.6km east of Gadolin. To date, a single traverse of 680m long has been completed across an area of porphyritic granite and quartz outcrop. Two thirds of the line has returned elevated REOs, with a peak value of 1,576ppm REO.

Whilst early stage, this consistent level of elevated REOs is encouraging, and follow up sampling will be prioritised to the north and south.



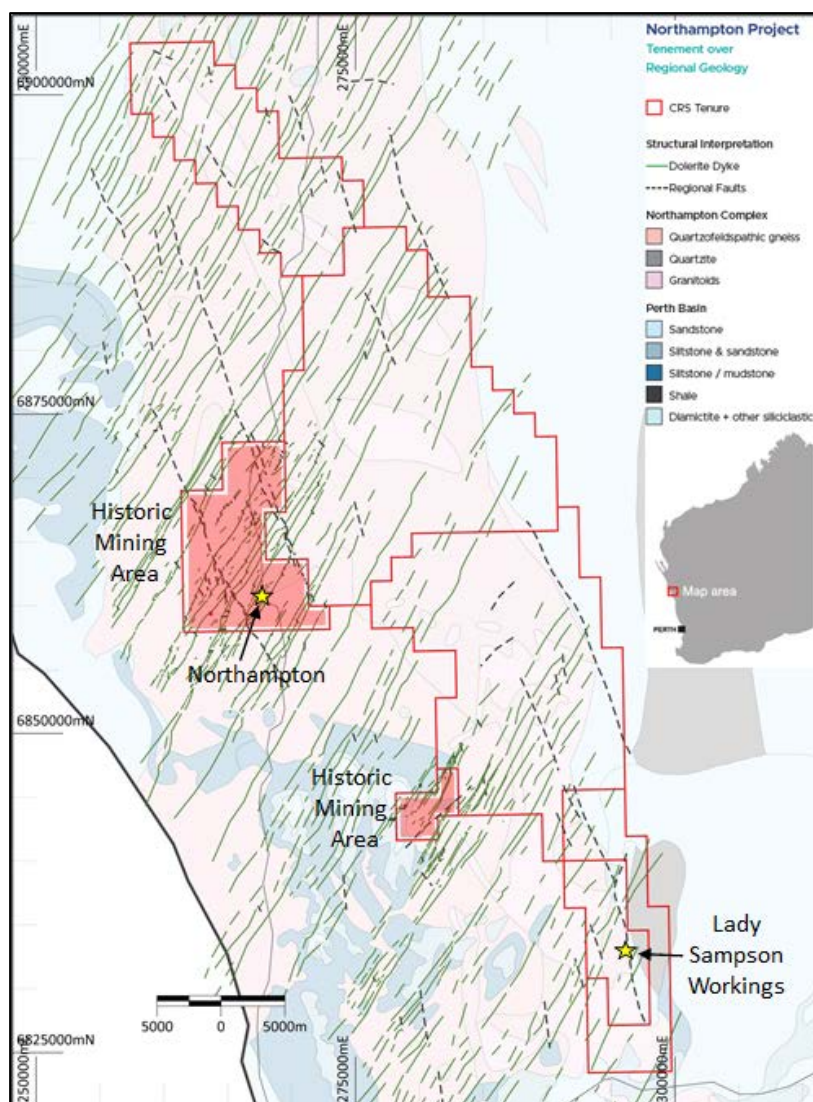
**Figure 3:** TREO from soil sampling at Hadrian's and Quarry

## Northampton Project

### RC Drilling – Lady Sampson

#### Phase 2 Drilling

In the Quarter, Caprice completed the Phase II RC drill program of 11 holes for 1,010m, with multiple intersections of significant grades and widths. Importantly, the higher-grade zone was extended another 100m to the south and remains open. This zone will be a key focus for follow up drilling, as well as testing depth extents.



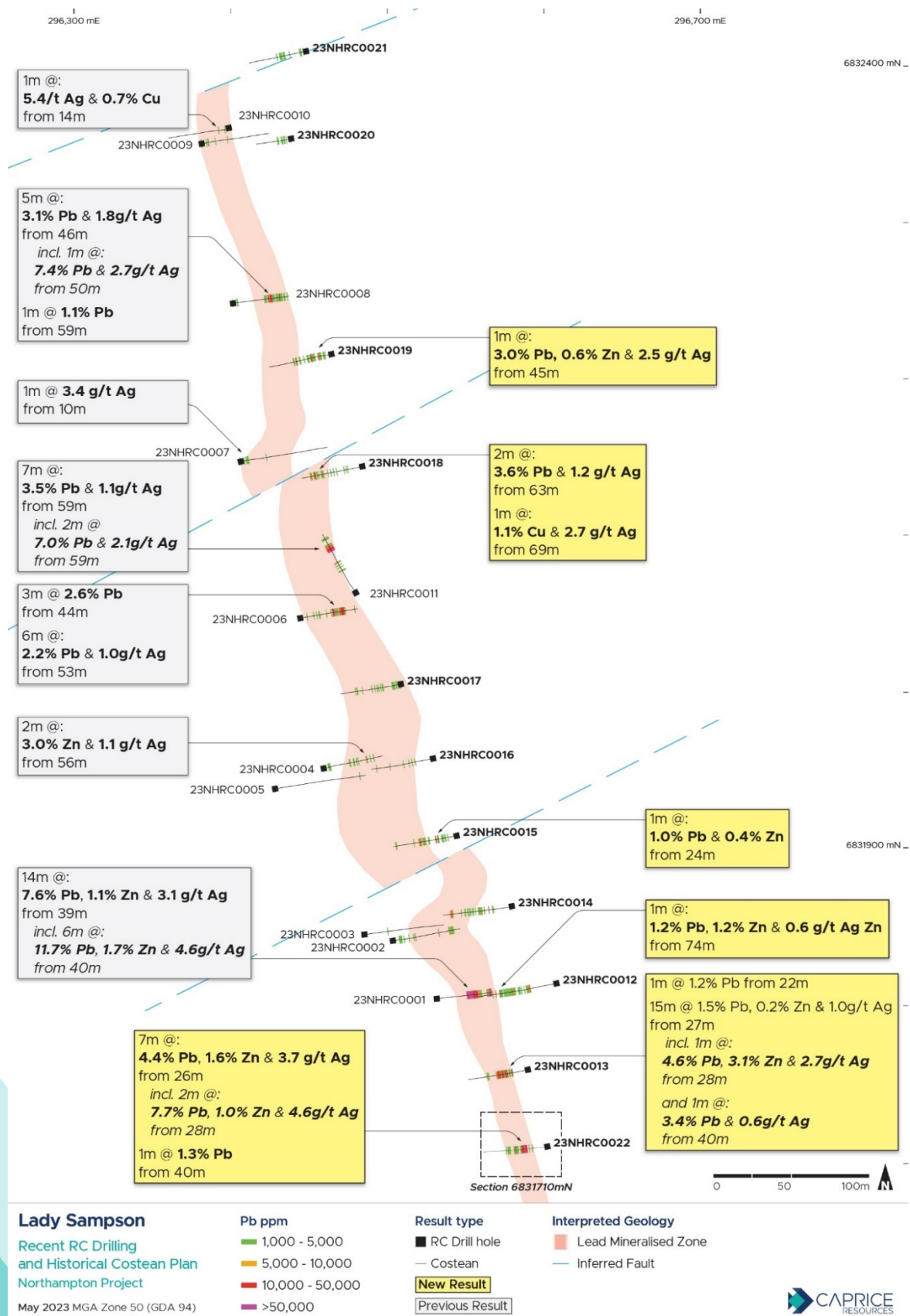
**Figure 4:** Northampton Project, with Lady Sampson located on E 66/106

The mineralisation to date remains lead dominant, however there is some distinct variability in the metal mix. There are areas of zinc dominance, as well as one hole which intercepted copper and silver mineralisation (23NHRC0018).

Results include:

- **7m @ 4.4% lead, 1.6% zinc & 3.7 g/t silver** from 26m,
  - **incl. 2m @ 7.7% lead, 1.0% zinc & 4.6 g/t silver** from 28m,
- **15m @ 1.5% lead, 0.2% zinc & 1.0 g/t silver** from 27m,
  - **incl. 1m @ 4.6% lead, 3.1% zinc & 9.9 g/t silver** from 27m and
- **1m @ 1.1% copper & 2.7 g/t silver** from 69m.

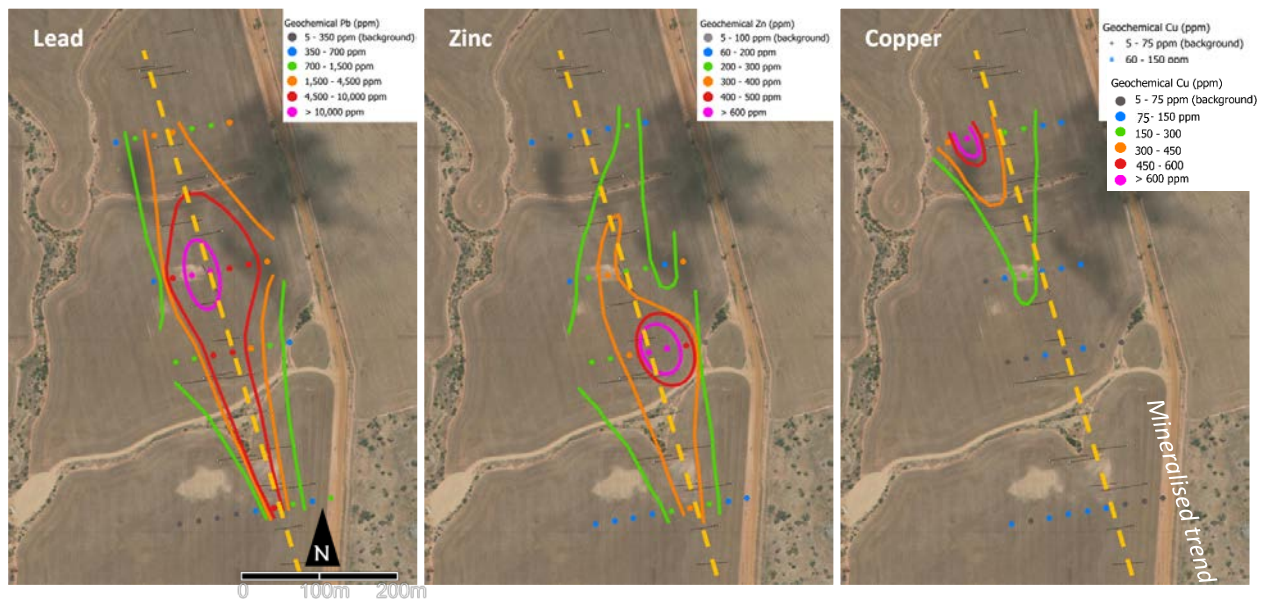
These results follow on from the maiden RC drill results (see ASX 7/3/23, 23/3/23).



**Figure 5:** Lady Sampson RC collar plan with significant drill results

## Soil Sampling

In addition to the drilling, a baseline ultrafine soil sampling program was undertaken in four traverses along the strike of the mineralisation. The traverses were in regular intervals and approximately 200m in length. The sampling involved collecting a -2mm portion of soil of approximately 200g with the ultrafines portion of this sample tested at Labwest for a multi-element suite.



**Figure 6:** Lady Sampson ultrafine soil sampling anomalies for lead, zinc and copper relative to trend of mineralisation

With minimal soil cover and relatively modest weathering profile, the ultrafine results have defined the trend of mineralisation at Lady Sampson very well, particularly the lead and zinc.

Copper has a defined a separate anomaly to the slight northwest of the mineralised trend. Whilst copper in the soils is relatively weak at the south, it is much stronger at the north, which broadly reflects the metal distribution of the underlying mineralisation. However, the strength and location of the copper soils anomaly may represent a separate underlying copper rich zone, which requires follow up work to understand.

The success of the soils in defining the key mineralised trend is very encouraging. Initially, Caprice will use the ultrafine soil sampling to test along strike to the north and south of Lady Sampson, as well as extending the lines laterally to assess the potential of additional lodes. The results of this program will assist in guiding the next round of drilling.

Based on the assumption that the soils can identify underlying mineralised trends, this technique has the potential to be a very powerful targeting tool to not only refine the Company's understanding of Lady Sampson, but also to assess more regional areas to define drill target.

## The Island Gold Project

Following on from the successful drill campaigns during 2022, no fieldwork was undertaken at the IGP during the quarter. Work continues to focus on data compilation and assessment to plan the next round of exploration.

## Wild Horse Hill Project

The high-level targeting study completed by external consultants is guiding next steps for the project and where it sits in the portfolio.

## Corporate

As at the end of the Quarter, Caprice had a cash position \$0.7 million as at 30 June 2023.

## Next Steps

### Mukinbudin

Drilling is planned for Gadolin in the September quarter, once necessary approvals have been received.

On other parts of the project, pending results remain for Hadrian's and QC3. In addition, a reconnaissance sampling program has recently been completed.

All sampling is aimed at delineating targets to be tested via RC drilling.

Whilst exploration to date has focussed on primary pegmatite-hosted REE, the potential for clay REE mineralisation has emerged with recent drill success of peers in the immediate region.

In addition, we are very excited by the possibility of enriched REE in granitic bodies, as evidenced from the sampling at surface at Gadolin, as well as elevated REE's in deeper drilling results by peers.

### Northampton

The results from the RC drilling are excellent, and justify further follow up though the next round of exploration will be influenced by cropping cycles.

Ground truthing and follow up reconnaissance from the recent detailed airmag survey is also planned.

### Island Gold Project

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

Planning is underway for soil sampling programs and geophysics at Cuddingwarra and Big Bell South.

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 was previously reported under Listing Rule 5.7 on 5 May 2023, 12 May 2023, 13 June 2023 and 6 July 2023. The Company confirms that it is not aware of any new data or information that materially changes these results since they were originally reported.

### **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 30 June 2023. No acquisitions or disposals of tenements or interests occurred 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%

## **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 30 June 2023, pertain to director fees, salaries and wages (including superannuation) and advisory fees paid during the quarter ended 30 June 2023. The Company notes that all fees are agreed on standard commercial terms.

During the quarter ended 30 June 2023, the Company spent a total of \$408,000 on project and exploration activities. The majority of the project and exploration expenditure relates to drill program activities, sampling and assaying undertaken at Northampton Polymetallic Project and sampling programs at the Mukinbudin 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")

**30 June 2023**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$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	(149)	(673)
	(e) administration and corporate costs	(82)	(523)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	12
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	4	4
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(226)</b>	<b>(1,186)</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	(408)	(1,204)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$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>(408)</b>	<b>(1,204)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	310	1,338
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	(2)	(86)
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 and stamp duty	(70)	(135)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>238</b>	<b>1,117</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	1,082	1,959
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(226)	(1,186)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(408)	(1,204)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	238	1,117

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>686</b>	<b>686</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	686	1,082
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>686</b>	<b>1,082</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - stamp duty instalment arrangement	20	20
7.4	<b>Total financing facilities</b>	20	20
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	<p>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.</p> <p>Office of State Revenue, interest rate 8.2%, maturity date 15/07/2023, unsecured instalment payment plan for stamp duty payable on acquisition of Goldview Metals Pty Ltd.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(226)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(408)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(634)
8.4	Cash and cash equivalents at quarter end (item 4.6)	686
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	686
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.1
	<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: The Company will monitor its current level of activities to align with cash flows.	
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: The cash from Tranche 2 of December 2022 capital raising has been received after the reporting quarter. These funds support the continuation of operations and exploration activities.	

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: Yes, the Company expects to continue its operations and exploration activities, adjusting to available funds.

*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.*

## 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 July 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.