



**CAPRICORN
METALS LTD**

ASX Code: CMM

ANNUAL GENERAL MEETING Managing Director Presentation

*25th November 2016
Celtic Club, West Perth*

*Peter Thompson
Managing Director*

Disclaimer & Competent Person Statement

CAUTIONARY STATEMENT – FORWARD LOOKING STATEMENTS

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all Material Assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publically any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

CAUTIONARY STATEMENT – PRELIMINARY NATURE OF STUDY

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Scoping Study results contained in this announcement are preliminary in nature as the conclusions are based on low-level technical and economic assessments, and are insufficient to support the calculation of Ore Reserves or to provide an assurance of economic development at this time. There is a low level of geological confidence associated with Inferred Mineral resources as used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the outcomes of the Scoping Study will be realised. Accordingly, these Inferred Resources should not be relied on by investors when making investment decisions.

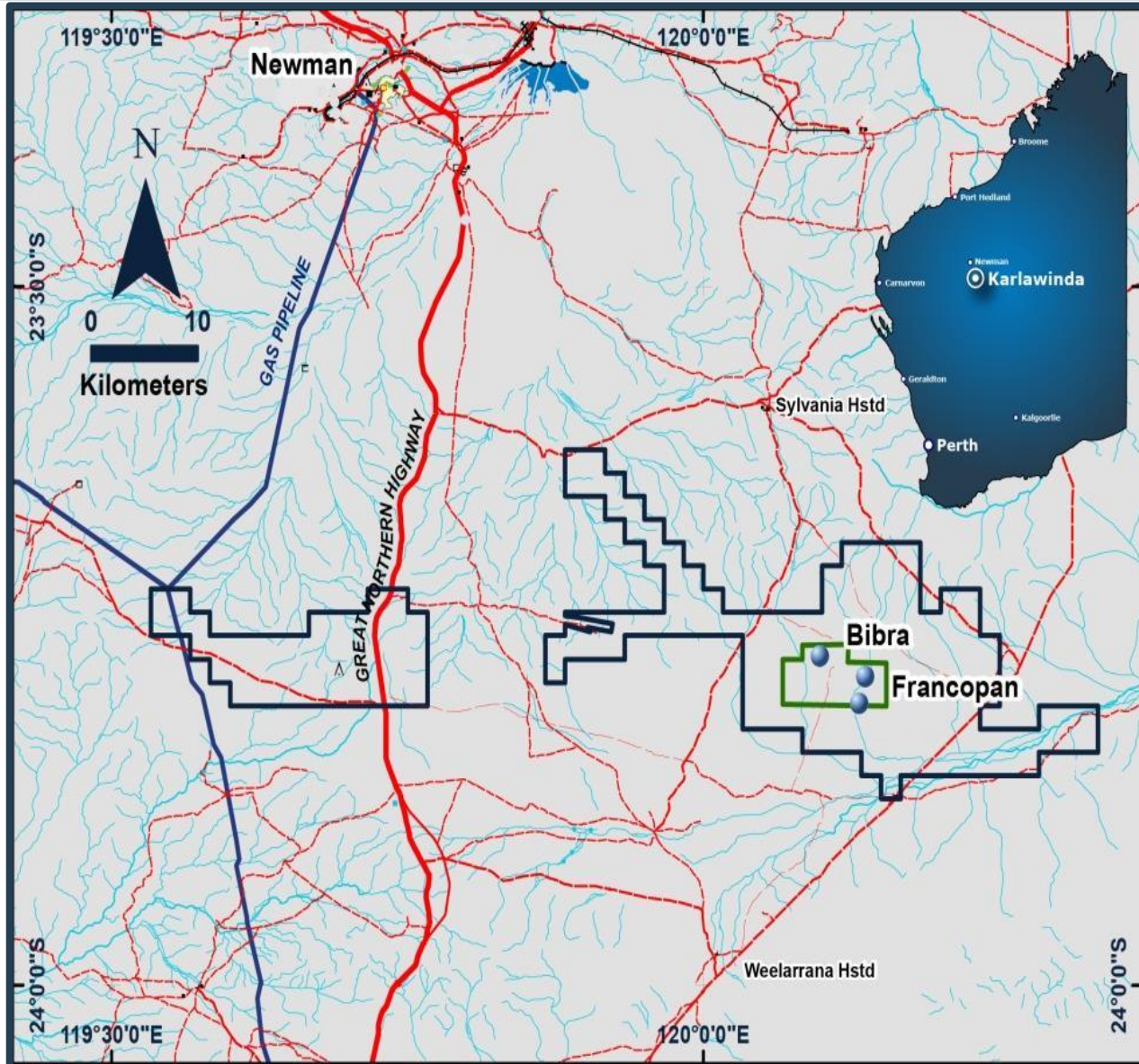
ASX announcements are available on the Company’s website at www.capmetals.com.au

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is Principal Resource Geologist at Perth based consultant group OMNI GeoX Pty Ltd and is a current Member of the Australian Institute of Geoscientists. Mr. Michael Martin acts as a consultant for Capricorn Metals Limited and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Exploration Results or Mineral Resources is based on information reviewed by Mr. Peter Langworthy, Technical Director, who is a current Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full-time Executive Director of Capricorn Metals Limited and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

KARLAWINDA PROJECT OVERVIEW



Excellent location, 60km from Newman

- Transport hub
- Gas (pipeline or trucked CNG)
- Workforce
- Engineering Services
- Camps
- Airport, 80 minutes to Perth, 7 flights/day
- Granted Mining Lease

2016 Achievements

Major Project Benchmarks

MAJOR PROJECT BENCHMARKS	
February 2016	Project acquired
April 2016	Funding in place
May 2016	Resource expansion drilling program completed
June 2016	Upgraded inferred resource (25.5mt @ 1.1g/t for 914,000oz)
July 2016	Scoping study complete – STRONGLY POSITIVE OUTCOME
July 2016	GO AHEAD - definitive feasibility study
August – Nov 2016	DFS progressing on-time and on-budget. 75,000m Drilling, New discoveries, Borefield identified, Native Title Agreement, Mining Lease granted



Fast Tracking to Production

Bibra Inferred Resource – 25.5mt @ 1.1g/t for 914,000 ounces gold

Mineralisation Type	Tonnes (Mt)	Au (g/t) Cut	Ounces
Laterite	2.1	1.3	85,000
Saprolite	4.3	1.0	142,000
Transitional	1.5	1.2	58,000
Fresh	17.6	1.1	629,000
Total Inferred	25.5	1.1	914,000

Resource Estimation based on:

43 diamond drill holes: 5,373 metres

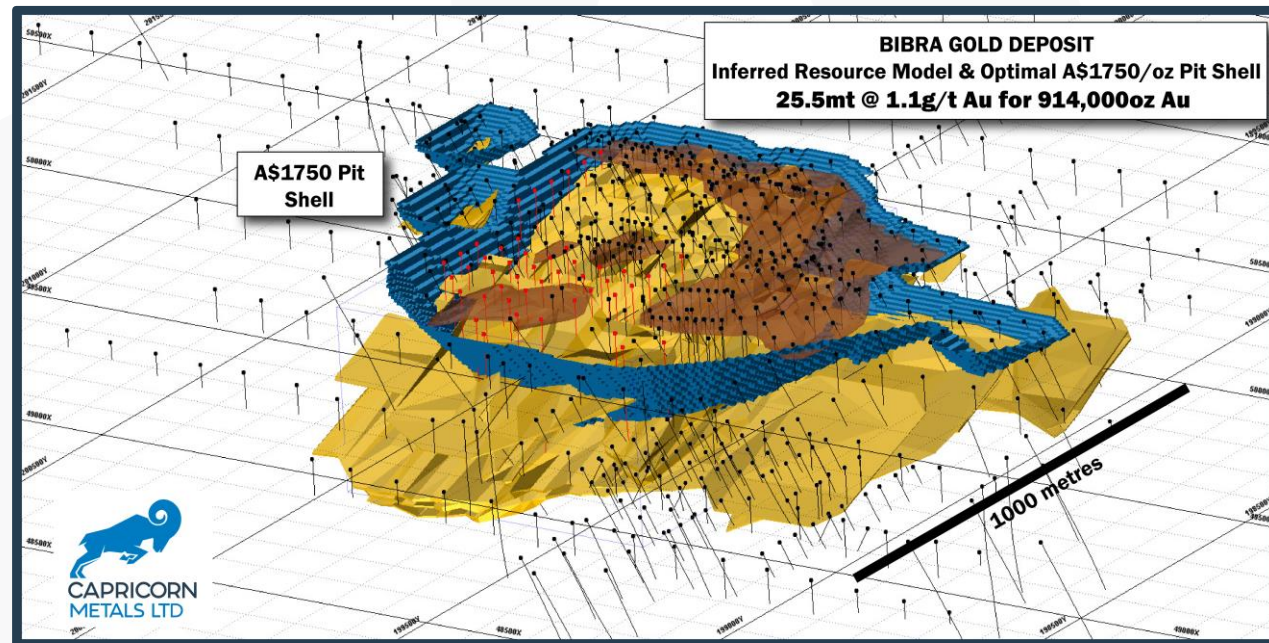
313 RC drill holes: 52,202 metres

Drill spacing: Inferred boundary 50 x 50 metres

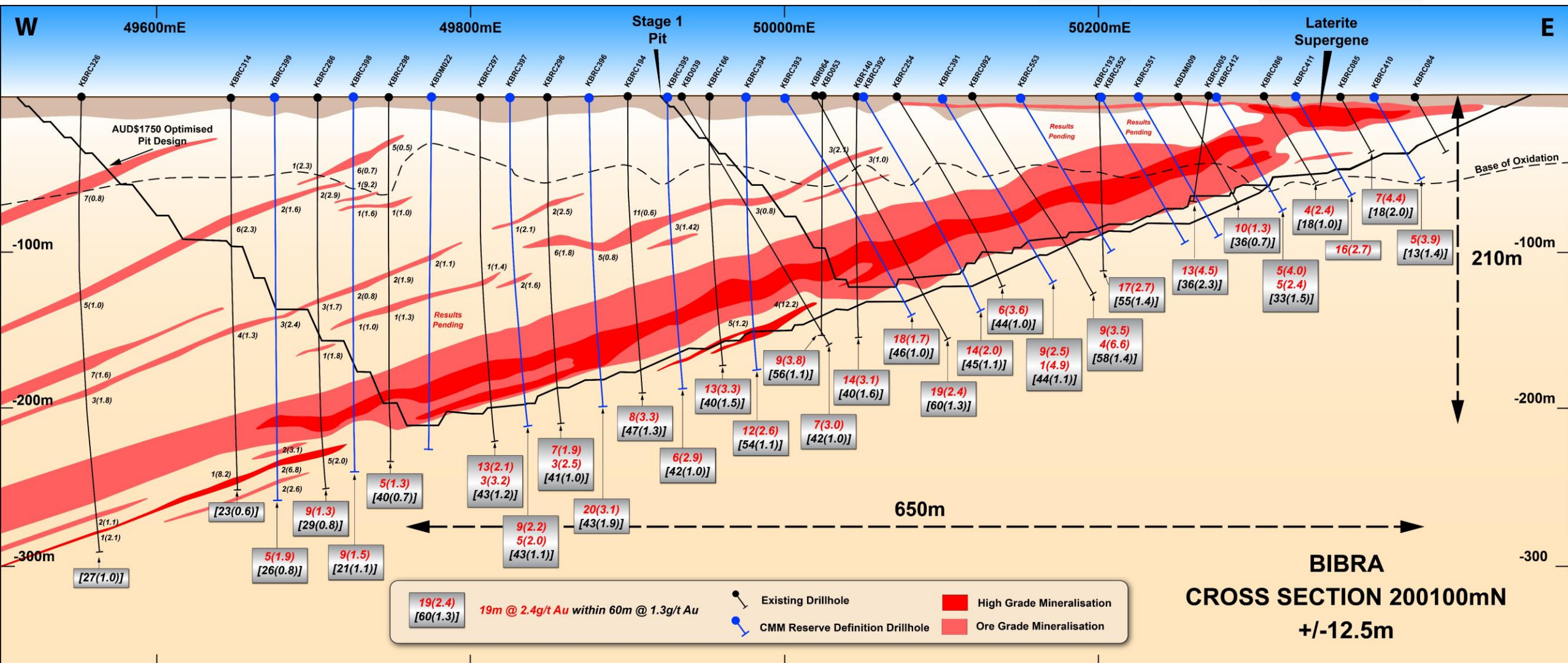
Top cut: 10g/t laterite / 16g/t main ore body

Lower cut: 0.5g/t

Pit Constraint: A\$1750/oz optimal pit shell

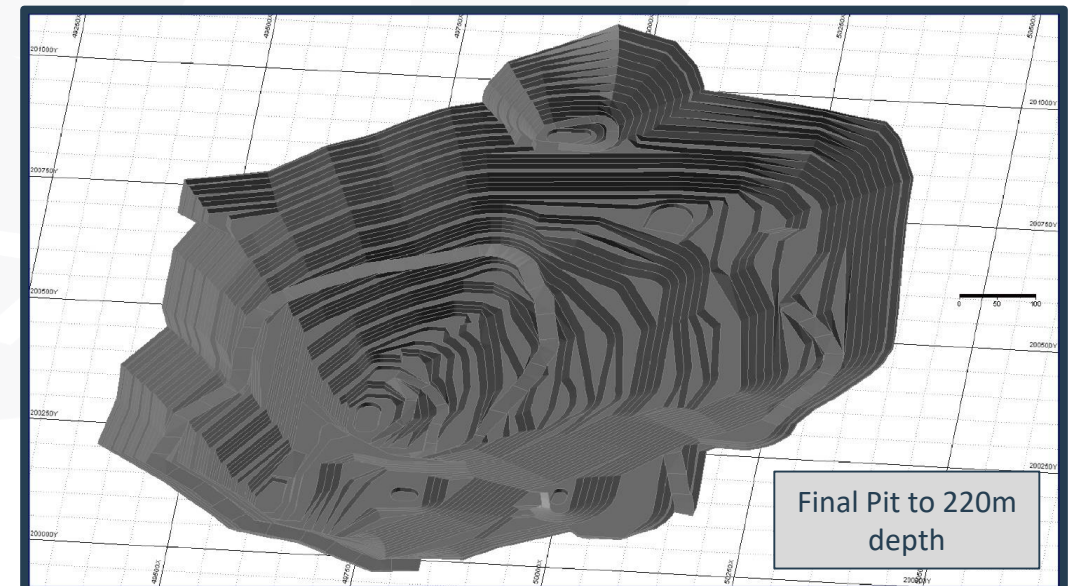
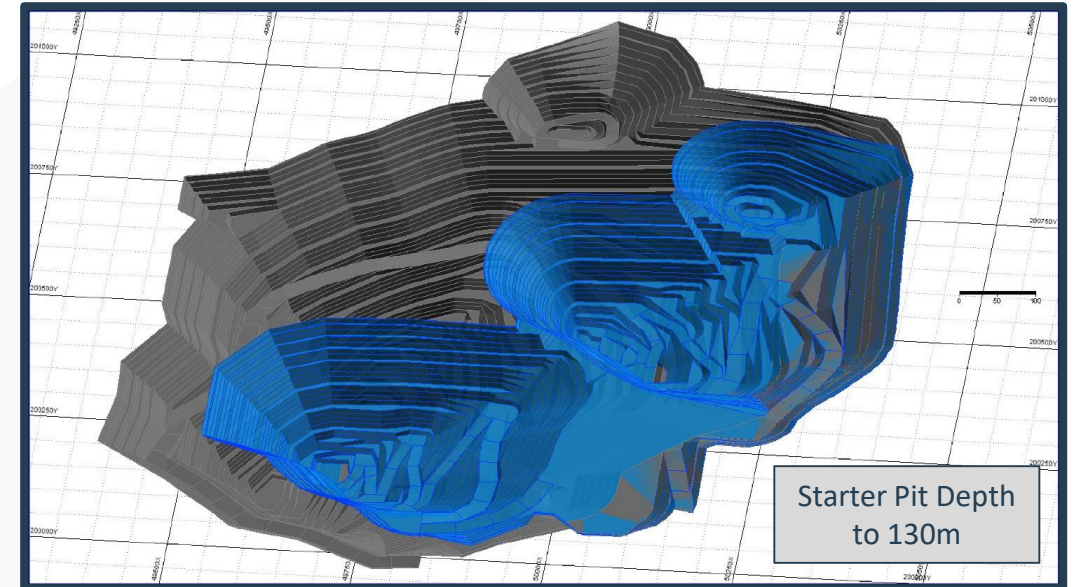
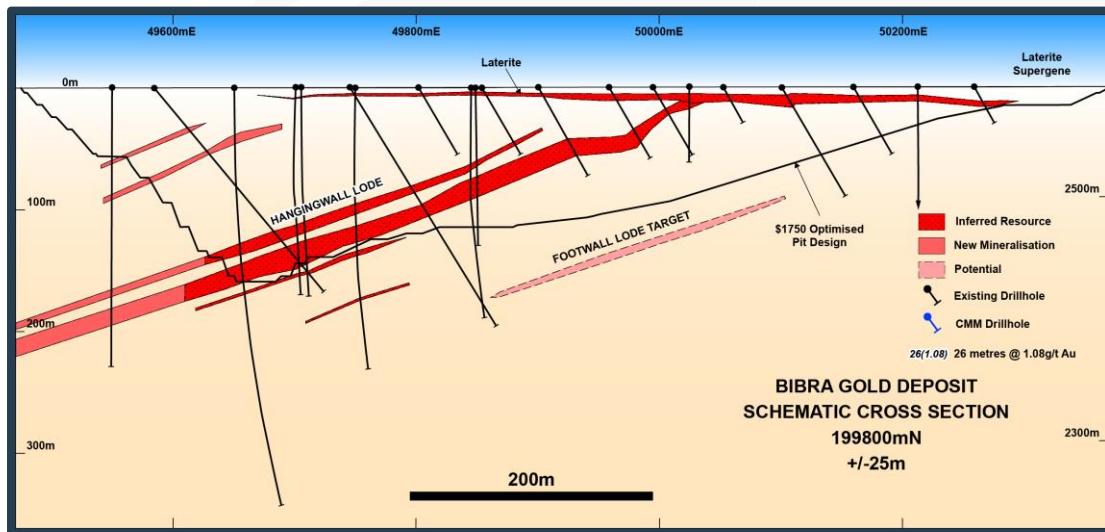


25 x 25m Infill Drilling, 200100N Section

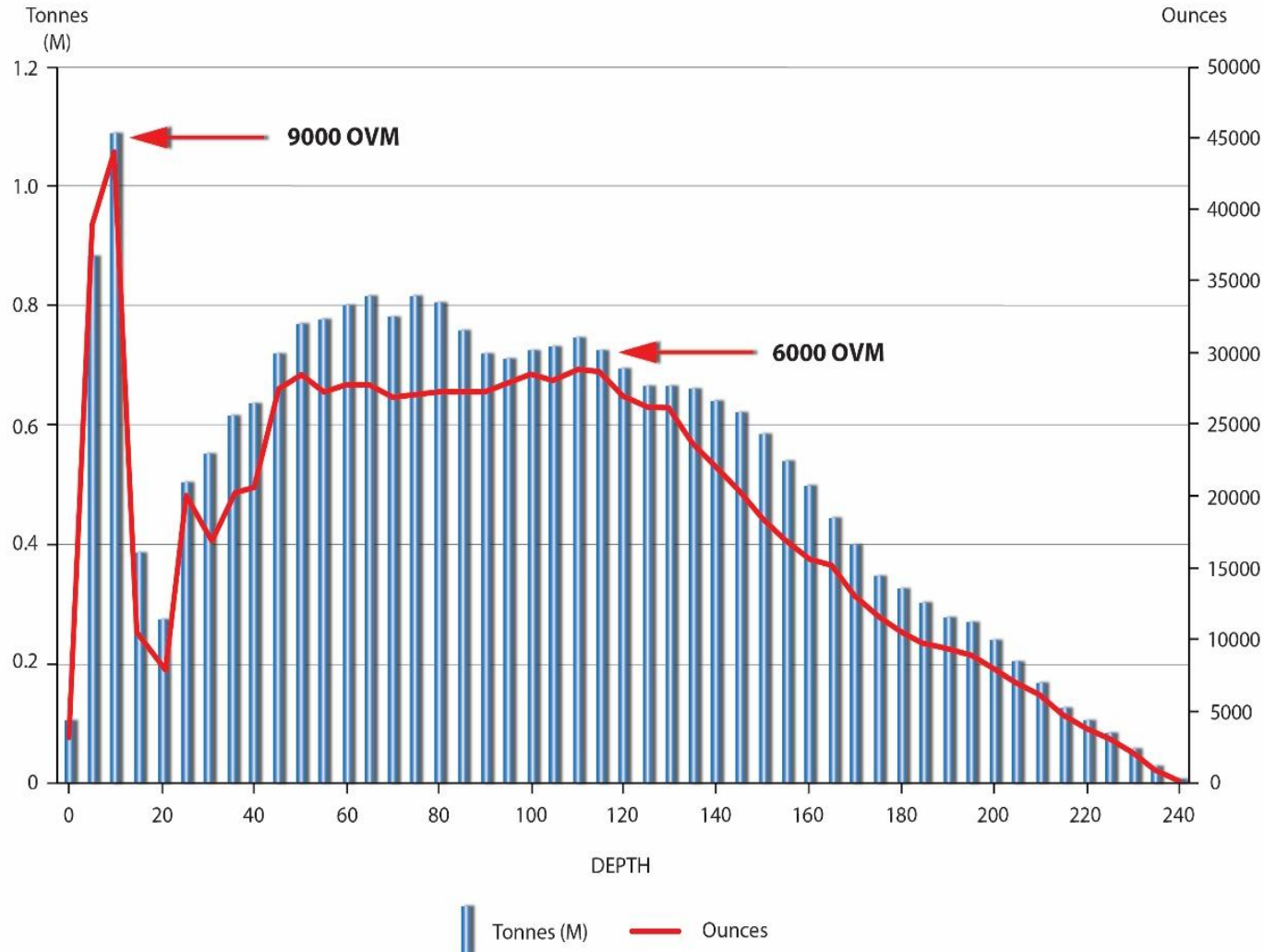


MINING STUDIES

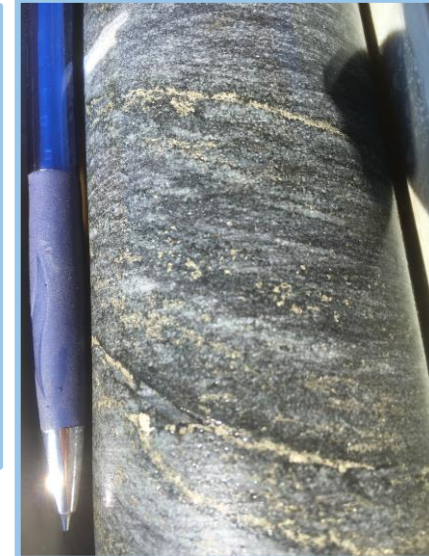
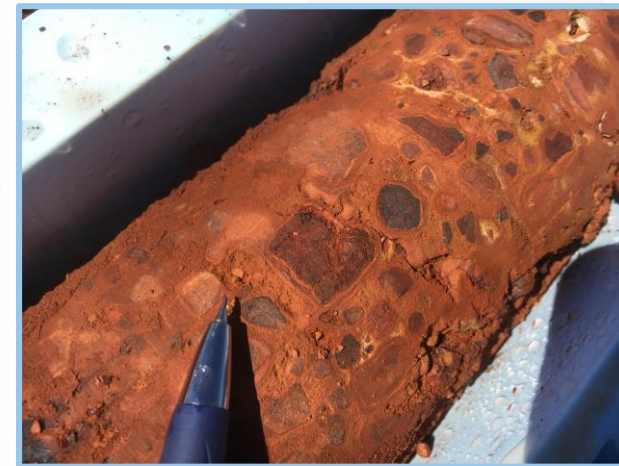
- Large-scale, staged open pits
 - Year 1 should process the highest margin, surface laterite
- Near-surface ounces
 - Laterite and saprolite: 220,000 ounces
- Attractive stripping ratios
 - Flat dipping geometries
 - Multiple stacked lodes
 - Favourable geotechnical conditions



6,000 OVM, up to 9,000 OVM in laterite

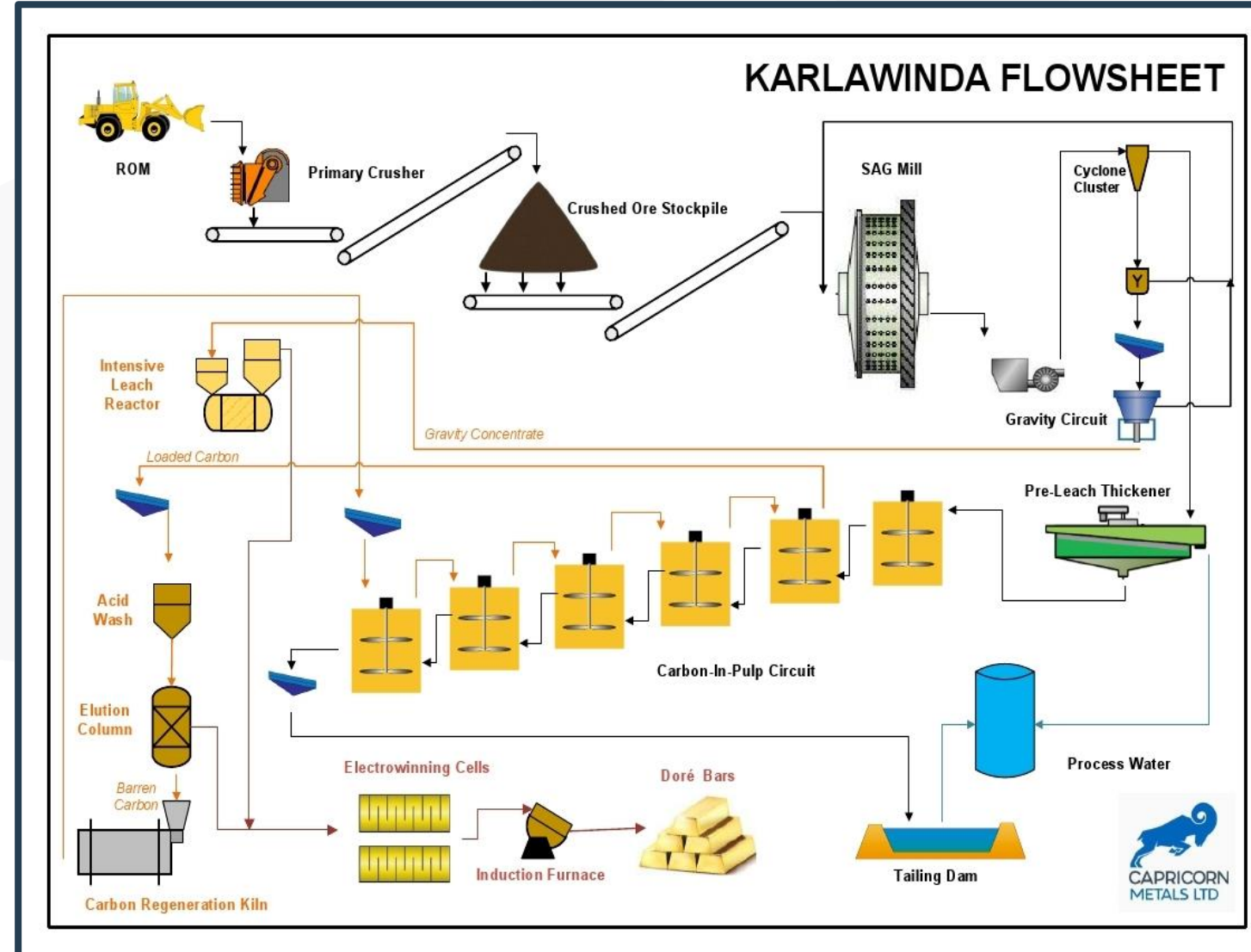


- Highest gold endowment at surface, 85,000oz in laterite
- New discoveries expected to add tonnes & ounces to 20-100m depth
- Easily achievable 30m-60m vertical advance/year required.



PROCESSING STUDIES

- Metallurgy simple, **non-refractory**
- Conventional Gravity-CIL processing
- 91-93% gold recoveries
- Coarse grind size (106 micron)
- 30% of gold gravity recoverable
- Economy of scale:
 - 3.0Mtpa plant
 - Low Opex: 3 operators/shift
- Plant design work by Mintrex
- Good quality water

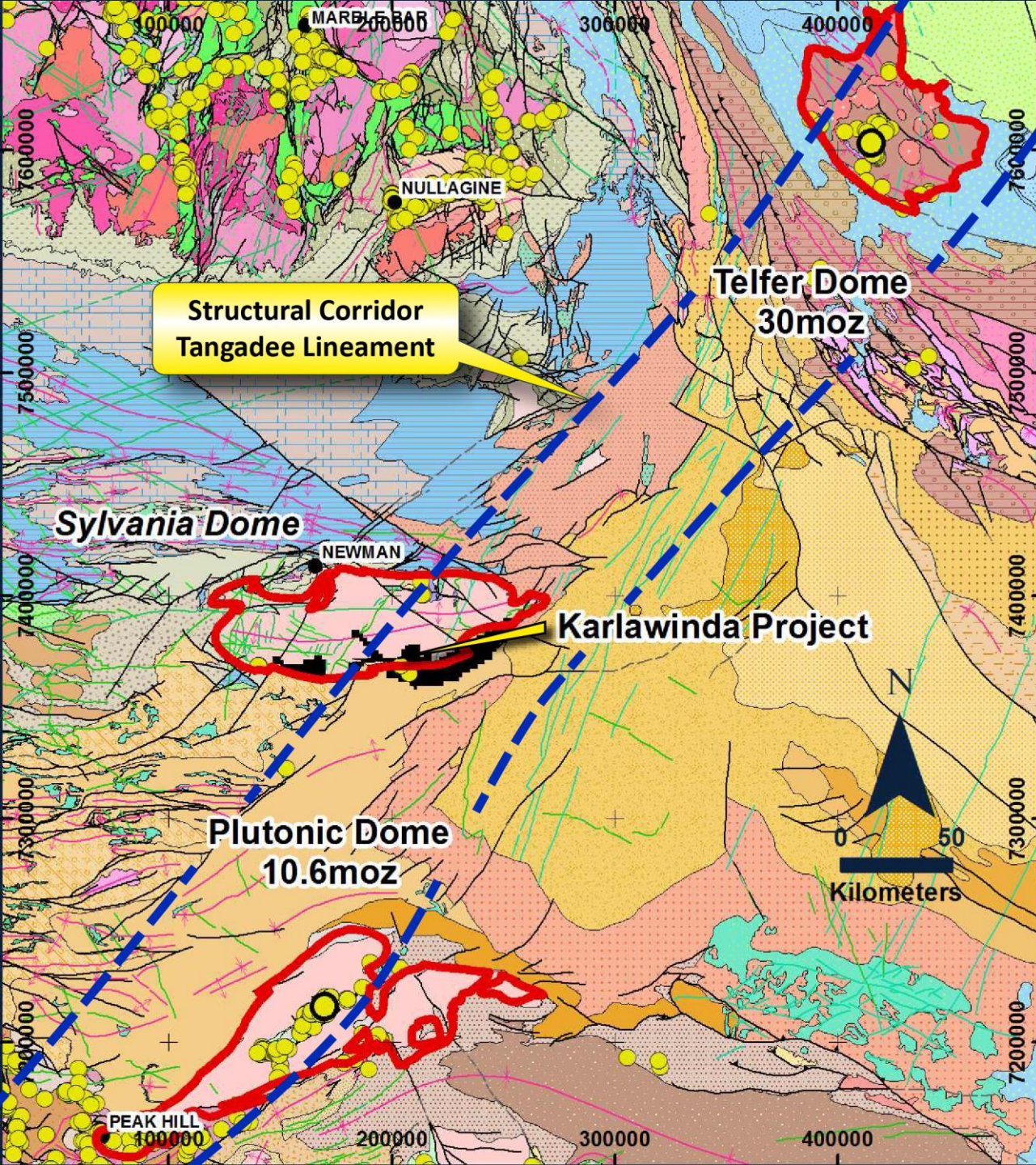


Exploration Strategy

- Target significant expansion of current resource base
- Extension of potential mine-life
- Target areas identified as prospective for high-grade gold mineralisation
 - Open Pit
 - Underground
- Dedicated exploration budget outside of Bibra



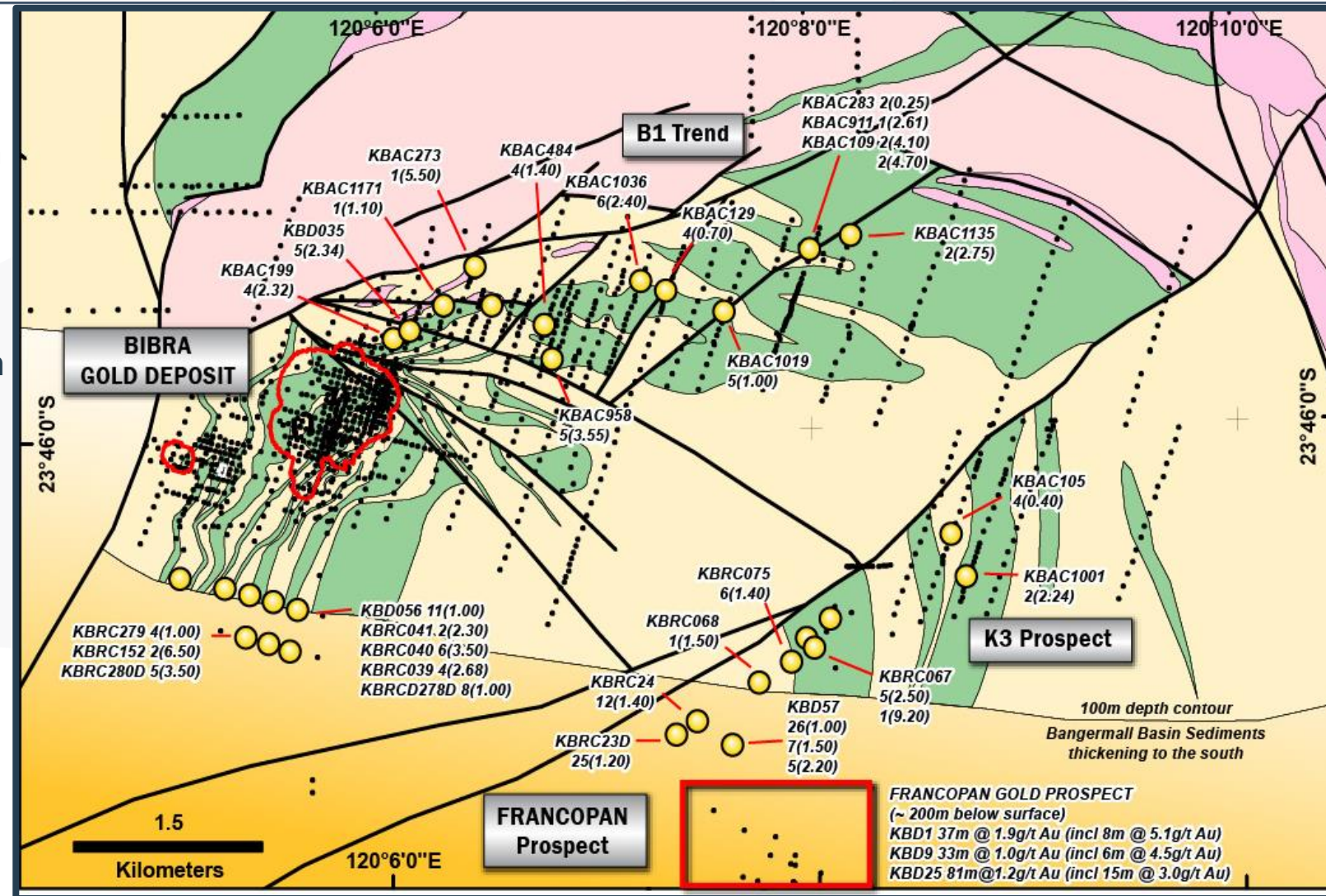
Regional Endowment



- Tangadee Structural Corridor
Separates Pilbara Craton from Officer Basin, Yilgarn Craton
- Major Gold systems developed on this structure
- Karlawinda is a recent discovery – Bibra in 2009
- A significant emerging goldfield

Image from Jon Hronsky, 2016

- 5 major near-surface targets within 500m of Bibra Resource
- Targeting open pit and underground locations within 8km zone
- New mineralization discovered at Portrush & Sth Corridor Prospects
- Northern Corridor targets will be priority for drilling in 2017



Exploration Targets

Near Pit Satellites

Portrush Prospect

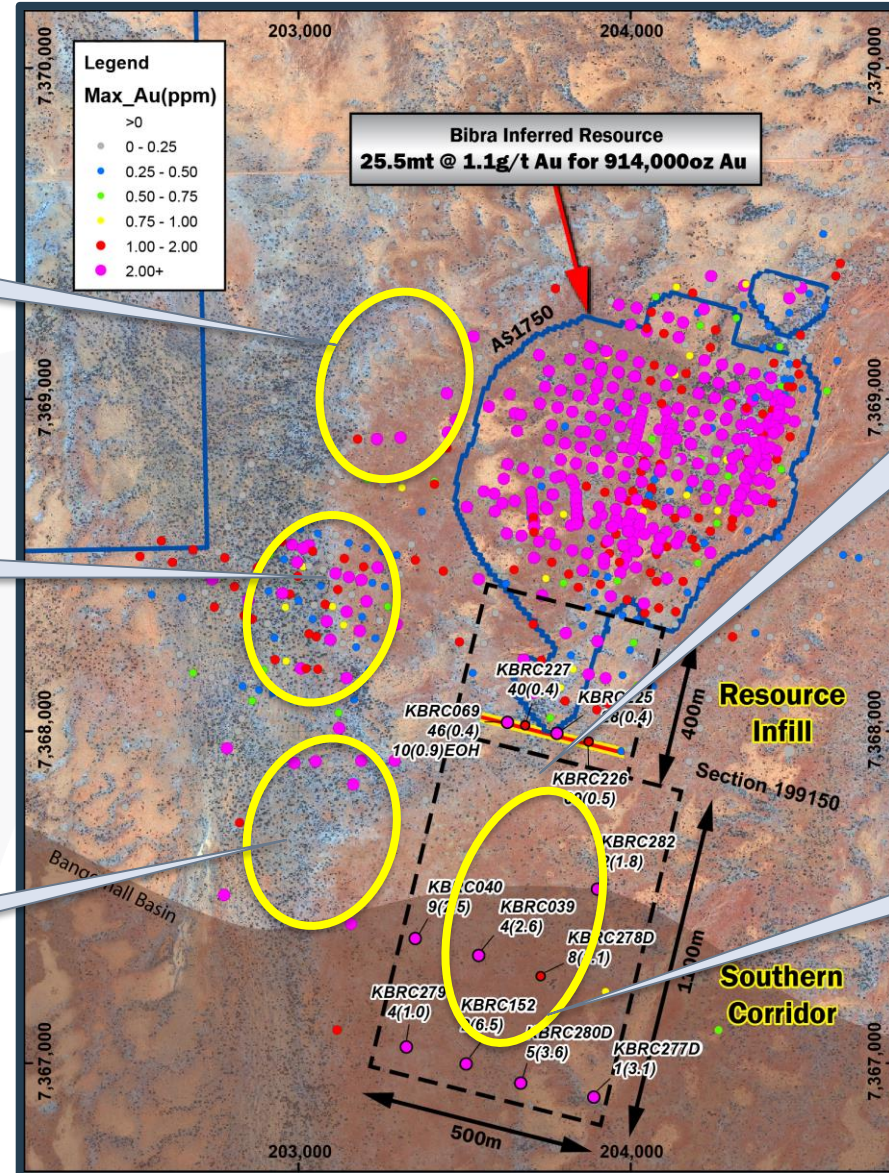
- KBRC366: **11m @ 1.00g/t Au**
- KBRC367: **7m @ 1.40g/t Au**
- KBAC377: **8m @ 1.15g/t Au**
- KBRC150: **17m @ 1.00g/t Au**
- KBRC071: **12m @ 1.02g/t Au**

Easky Prospect

- KBRC019: **12m @ 1.5g/t Au**
- KBRC570: **8m @ 2.6g/t Au**
- KBRC150: **7m @ 1.3g/t Au**
- KBAC389: **10m @ 1.5g/t Au**

Tramore Prospect

- KBRC021: **12m @ 1.5g/t Au**
- KBRC020: **4m @ 2.0g/t Au**
- KBRC022: **7m @ 1.8g/t Au**
- KBRC071: **6m @ 1.1g/t Au**
- KBRC145: **22m @ 1.0g/t Au**
- KBRC148: **17m @ 1.2g/t Au**



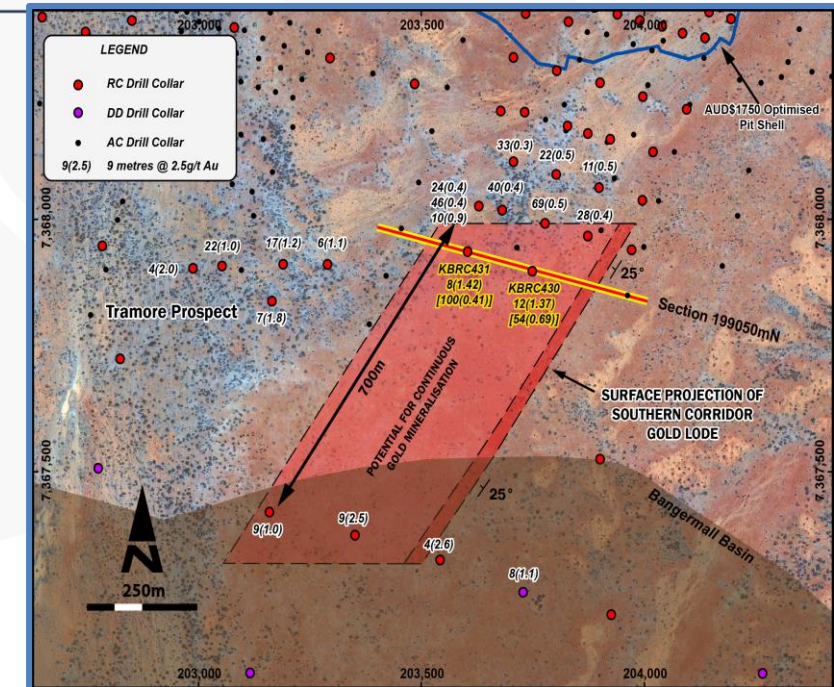
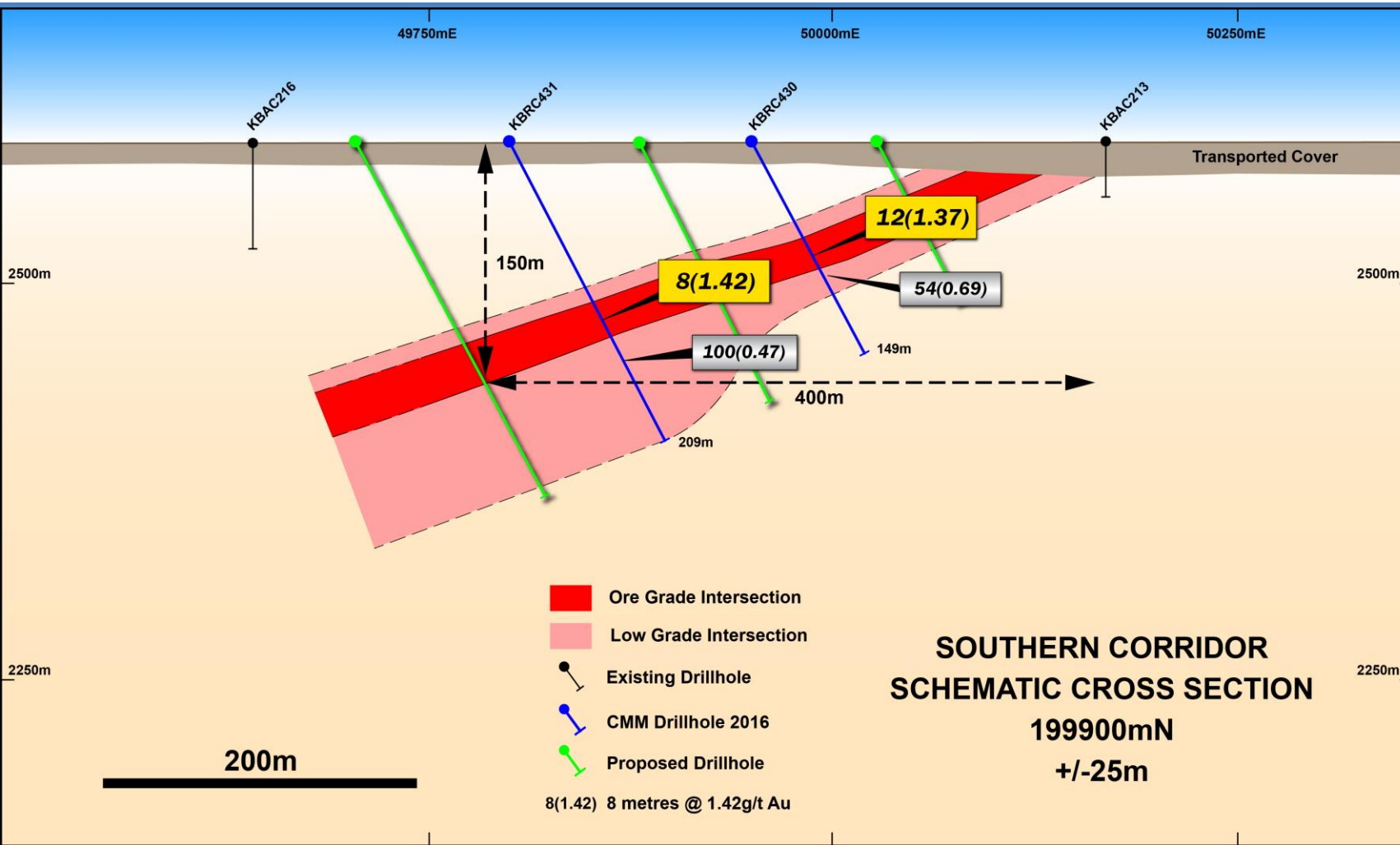
Southern Corridor NEW INTERSECTIONS

- KBRC430: **12m @ 1.37g/t Au**
within **100m @ 0.47 g/t Au**
- KBRC431: **8m @ 1.42g/t Au**
within **54m @ 0.69g/t Au**

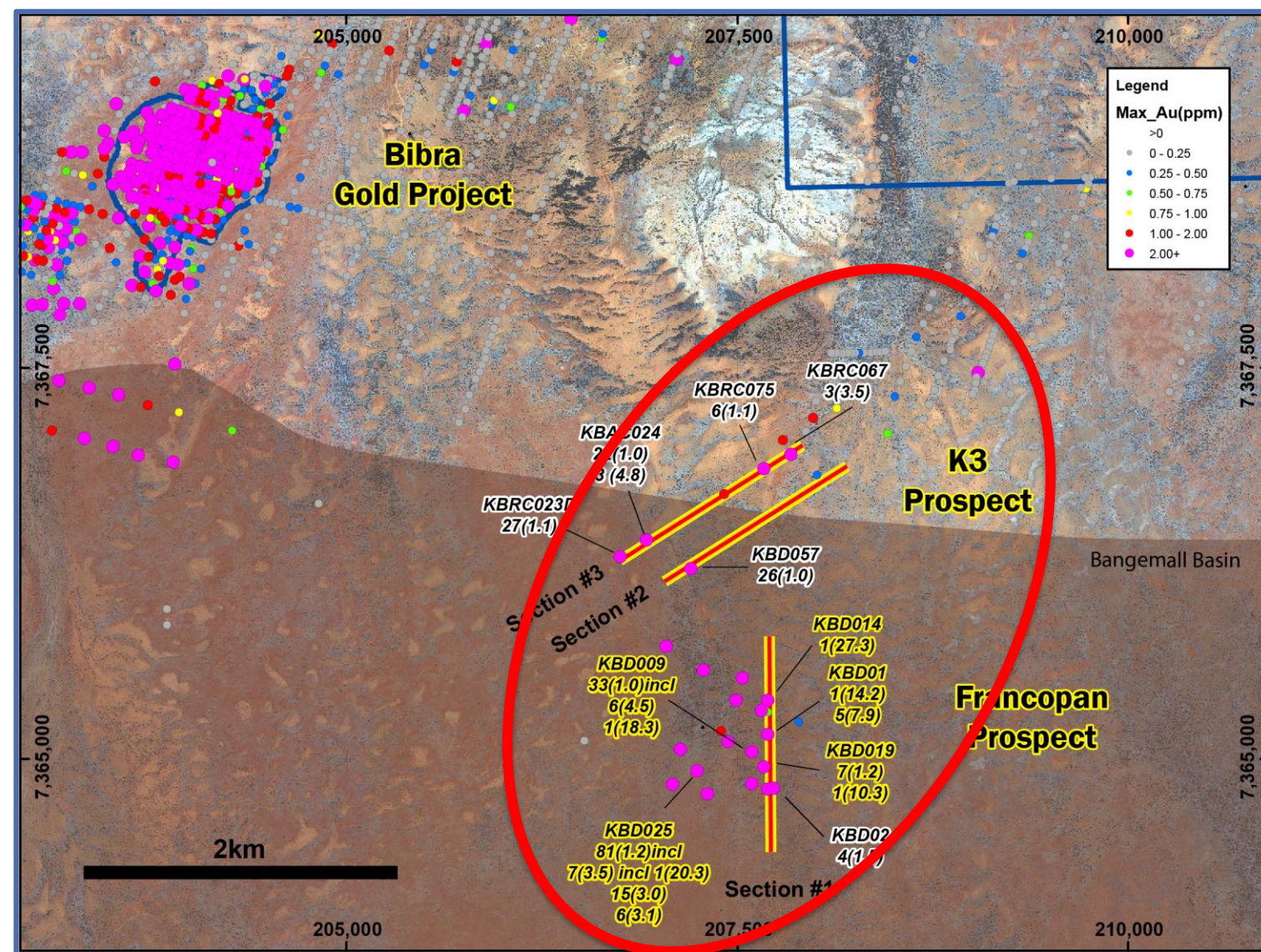
Southern Corridor

- KBRC040: **9m @ 2.5g/t Au**
- KBRC039: **4m @ 2.6g/t Au**
- KBRC278D: **8m @ 1.1g/t Au**
- KBRC279D: **4m @ 1.0g/t Au**
- KBRC152: **2m @ 6.5g/t Au**
- KBRC280D: **5m @ 3.6g/t Au**

Southern Corridor Discovery (Oct 2016)



Francopan-K3 Prospect



- Repeat of the Bibra Gold System??
- Large-scale mineralised system 5km from Bibra Deposit
- Strong potential for high grade mineralisation over large area defined by wide-spaced drilling
- 5km x 2.5km target area
- Stacked lodes
- Francopan daylights at K3?

- KBD001: 37m @ 1.9g/t Au. Includes:
8m @ 5.1g/t Au and 1m @ 21.8g/t Au
- KBD009: 33m @ 1.0g/t Au. Includes:
6m @ 4.5g/t Au and 1 metre @ 18.3g/t Au
- KBD025: **81m @ 1.2g/t Au**. Includes:
7m @ 3.5g/t Au (includes 1m @ 20.3g/t Au)
15m @ 3.0g/t Au
6m @ 3.1g/t Au

CMM in 2017...

- Continue to grow a large scale gold system
 - Update Bibra Resource
 - Aggressive Exploration for more Karlawinda deposits
- DFS complete 2Q 2017 → Funding → Construction → Production 2018
- Increased profile
- Pipeline of positive news flow