RECENT DRILLING EXPANDS THE BIBRA GOLD SYSTEM

Recent drilling expands the Bibra Gold System as ongoing regional exploration identifies priority targets

HIGHLIGHTS

- Drilling at the *Portrush Prospect*, located in the hanging wall on the western margin of the 1.1Moz Bibra Deposit, has expanded the mineralisation into the wall of the planned Bibra Open Pit and remains open down-dip and along strike. Significant results include:
    - KBRC0951 14 metres @ 2.06g/t Au
    - KBRC0907 10 metres @ 1.41g/t Au
    - KBRC0953 28 metres @ 1.47g/t Au
    - KBRC1038 25 metres @ 2.28g/t Au
    - KBRC1037 16 metres @ 1.43g/t Au
    - KBRC1039 25 metres @ 1.01g/t Au
- Drilling at the *Easky Prospect*, located approximately 800m south-west of the Bibra Deposit, has identified a series of stacked mineralised zones that have now been defined over a strike length of approximately 500m. Significant results include:
    - KBRC0995 8 metres @ 3.74g/t Au
    - KBRC0978 22 metres @ 1.35g/t Au
    - KBRC1011 21 metres @ 1.00g/t Au
- This recent program of drilling, combined with detailed capture and interpretation of all the Bibra Deposit geological data, suggests that the mineralisation is controlled by several broad shoots within an extensive series of low-angle, north-east trending mineralised faults that together combine to comprise a large-scale mineralised system. These controlling faults can now be predicted and delineated. Significantly a large proportion of these structures have not been drill-tested.
- A high priority exploration target has been identified at the *Bundoran Prospect*, located approximately 3km east of Bibra. An Induced Polarization (IP) feature has been modelled in close association with a large discordant magnetic anomaly. Wide-spaced reconnaissance drilling in proximity to the target has returned a number of significant gold values.

ASX ANNOUNCMENT

3 August 2017

ASX Code: CMM

ABN: 84 121 700 105

Board of Directors:

Mr Heath Hellewell
Executive Chairman

Mr Guy LeClezio
Non-Executive Director

Mr Stuart Pether
Non-Executive Director

Issued Capital:

Shares 572.4M
Options 46.3M
Share Price A$0.084
Market Cap. A$48.1M

REGISTERED OFFICE:
Level 1, 28 Ord Street
West Perth, WA 6005

T +61 8 9212 4600

F +61 8 9212 4699

E enquiries@capmet.com.au

www.capmetals.com.au

Capricorn Metals Ltd (ASX: CMM) is pleased to advise that an extensive exploration program undertaken in recent months at the Company's 100%-owned Karlawinda Gold Project in Western Australia has delivered several important breakthroughs and advancements for the project.

Importantly, drilling of two key near-mine prospects located immediately adjacent to the 1.1Moz Bibra Deposit[1] (Portrush and Easky), has expanded these positions with the results to be incorporated into a revised Mineral Resource inventory for the Project expected in late 2017.

At the same time, a re-evaluation of the structural geology and regional potential of the Karlawinda Greenstone Belt has been completed. This study, based on knowledge gained from recent drilling combined with extensive existing geological data, has significantly upgraded the broader potential of the belt and has identified a number of regional exploration targets with excellent potential for large-scale gold mineralisation systems.

The recent exploration activities included:

- A successful 13,460m (140-hole) Reverse Circulation (RC) drilling program targeting immediate resource extensions at the Portrush and Easky Prospects;
- Confirmation of the large-scale mineralised system at Bibra (Bibra Gold System ("BGS")) through a detailed and high quality review and assessment of all available project data, including the recently completed drilling program;
- Re-modelling of IP data and the identification of a high priority target at the Bundoran Prospect, located 3km to the east of Bibra;
- Completion of a detailed airborne magnetic survey over a 20km x 12km area covering the BGS and surrounding areas;
- Accessing and compiling all available open source exploration data across the greater Karlawinda Project;
- The identification of large areas of Karlawinda Greenstone Belt previously not recognized or considered prospective; and
- A review of available geochemical datasets and the recognition of a series of untested gold anomalies.

BIBRA GOLD SYSTEM ("BGS")

Recently completed drilling and a program of detailed geological evaluation and interpretation confirm the extensive nature of the mineralised system at Bibra and the potential to increase resources with additional drilling, both near surface and at depth.

This recent work has led to a significantly improved understanding of mineralsation controls at Bibra and can be potentially applied elsewhere in the project area. At Bibra, mineralisation is shoot-controlled along a series of dominant low-angle, north-east trending mineralised faults that combine to make up a very large-scale mineralised system. These faults can now be predicted and delineated, and a review of previous drilling clearly suggests that significant strike lengths of each structure have only been partially tested or remain untested (Figure 2).

In addition, potential exists for new mineralised faults to be identified to the immediate east and west of the BGS due to the lack of drilling in these positions.

[1] Capricorn report that it is not aware of any new information or data that materially affects the information included in the resource announcement dated 10th April 2017and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Targeting within the BGS for future drilling programs will be based on testing along these major structures, particularly where they are coincident with magnetic anomalies.

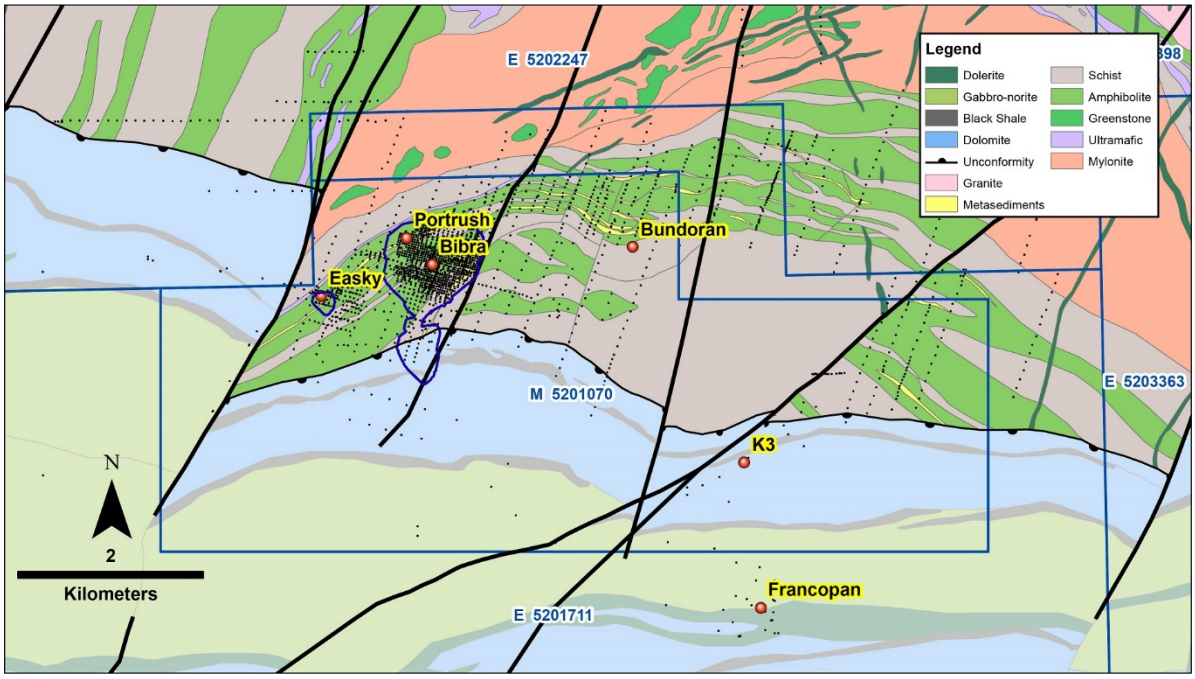

Figure 1. Karlawinda Project, regional geology.

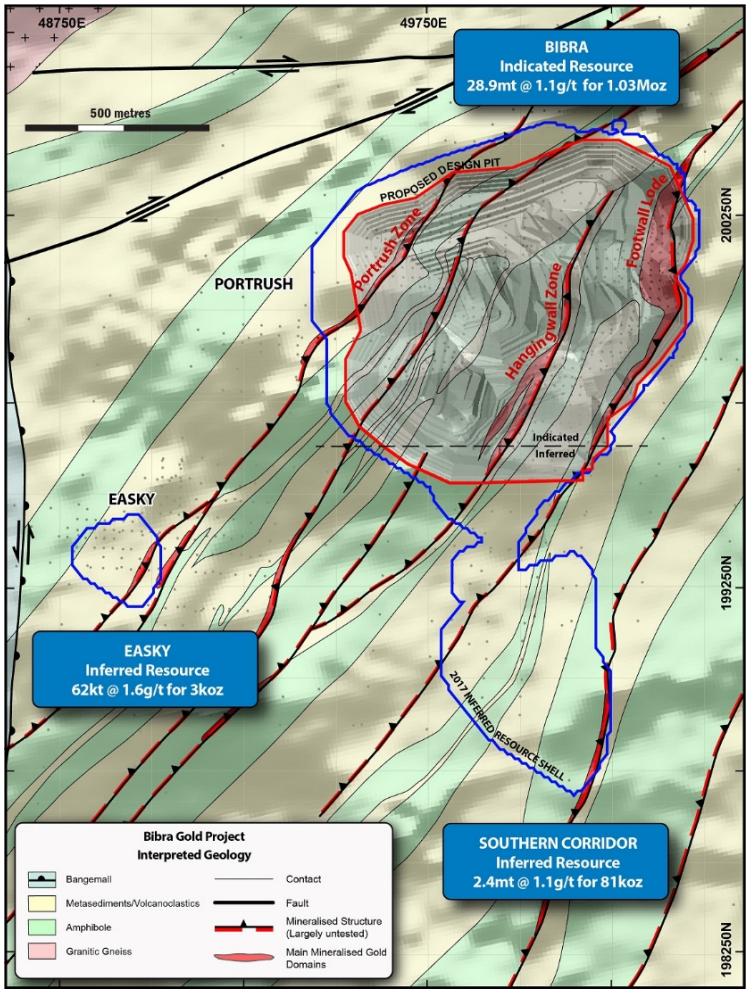

Figure 2. Bibra Gold System, interpreted geology and structure over aeromagnetic data.

CAPRICORN METALS LTD

RECENT DRILLING

PORTRUSH PROSPECT

The Portush Prospect is located in the immediate hanging wall of the currently defined Bibra Deposit partially within the existing proposed Bibra pit design. The mineralisation is interpreted to be structurally controlled along a major mineralised fault (Portrush Zone) that has been interpreted to extend over a strike length of at least 2.5km (Figure 3).

The recent drilling (Figures 4 and 5) targeted a broad shoot of oxide mineralisation located on the western margin of the Bibra Deposit. This shoot extends from surface and has been drilled down-dip for approximately 175m and remains open both at depth and along strike to the north.

Significant results include (see Appendix 1 for details):

- KBRC0951 14 metres @ 2.06g/t Au
- KBRC0907 10 metres @ 1.41g/t Au
- KBRC0953 28 metres @ 1.47g/t Au
- KBRC1038 25 metres @ 2.28g/t Au
- KBRC1037 16 metres @ 1.43g/t Au
- KBRC1039 25 metres @ 1.01g/t Au
- KBRC0941 2 metres @ 16.7g/t Au
- KBRC0900 7 metres @ 1.78g/t Au
- KBRC0940 8 metres @ 1.37g/t Au

These recent results suggest an improvement in widths and grade of the shoot at Portrush with depth and have the potential to result in an expanded optimised pit design is this area. The results also demonstrate the potential for additional significant mineralised shoots to be discovered along the Portrush Trend. Drilling along this structure is currently wide spaced outside of the known prospects at Portrush and Easky.

The new results will be incorporated into an updated resource model and additional drilling will be planned accordingly.

EASKY PROSPECT

The Easky Prospect, which is a zone of shoot-controlled mineralisation, located 800m south of the Portrush Prospect is interpreted to be located on the same controlling mineralised fault (Portrush Trend) (Figure 3). The Easky prospect extends over an area of 500m x 500m. The mineralisation intersected in recent drilling is present in multiple stacked zones with strong high-grade shoot control (Figure 6).

Significant results include (See Appendix 1 for details):

- KBRC0981 7 metres @ 1.93g/t Au
- KBRC0989 6 metres @ 1.42g/t Au
- KBRC0995 8 metres @ 3.74g/t Au
- KBRC0978 22 metres @ 1.35g/t Au
- KBRC1014 5 metres @ 3.39g/t Au
- KBRC1011 21 metres @ 1.00g/t Au
- KBRC1009 4 metres @ 2.94g/t Au
- KBRC1008 7 metres @ 2.83g/t Au

The drilling at Easky remains relatively wide spaced, and there is an opportunity to expand the high-grade shoots within the broader mineralised system.

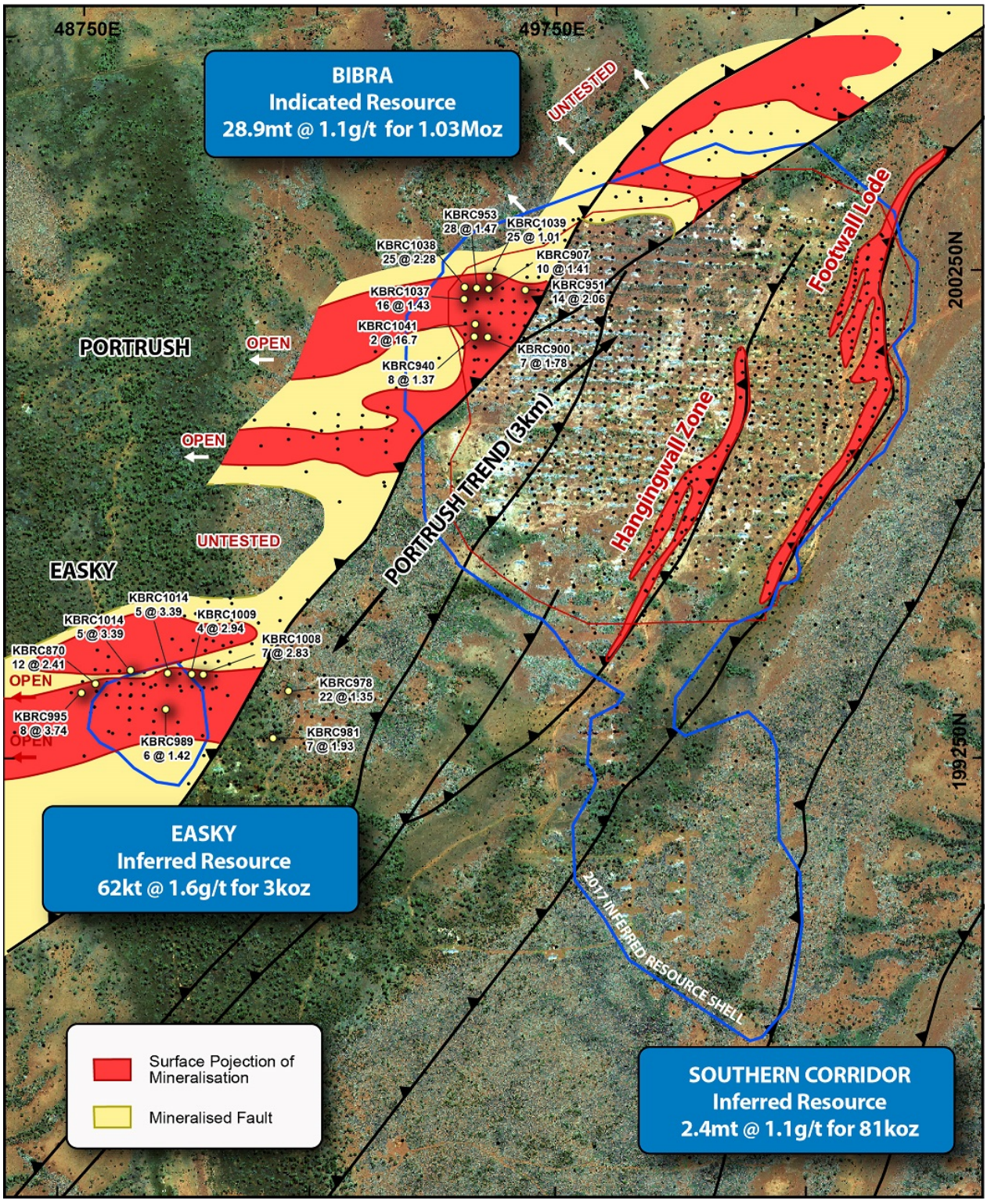

Figure 3. Portrush Trend, interpreted mineralised shoots at Portrush and Easky Prospects.

CAPRICORN METALS LTD

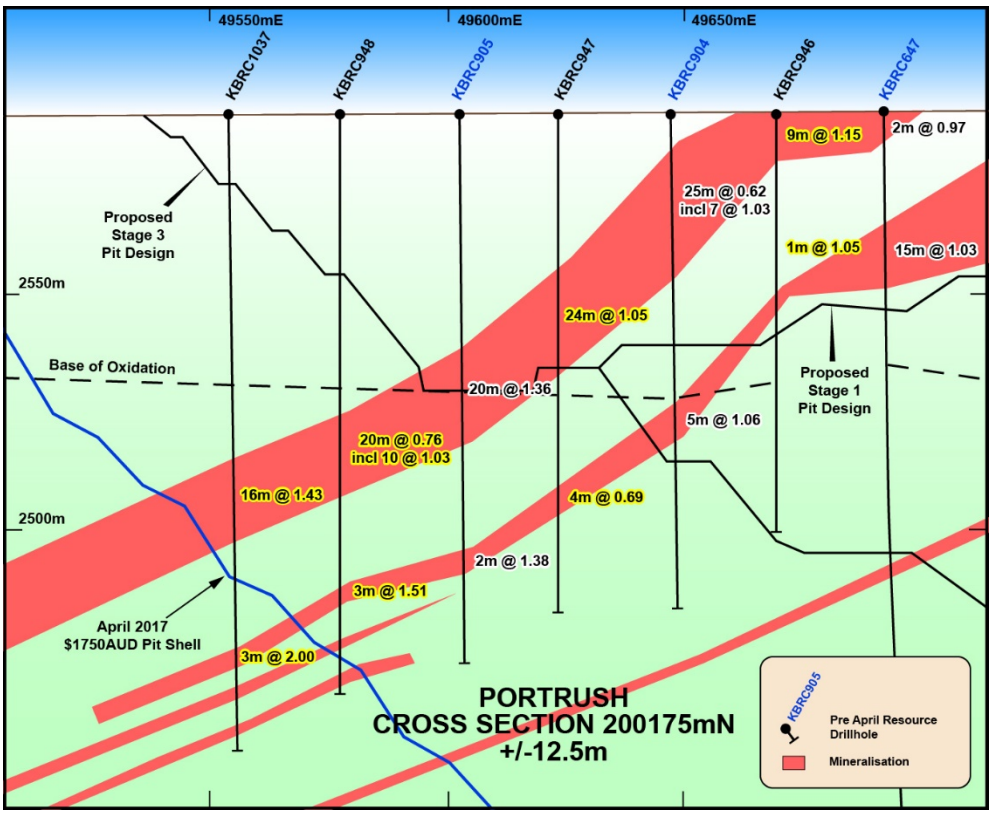

Figure 4. Portrush Prospect, section 200175mN, recent drilling (black label) pre-Resource drilling (blue label).

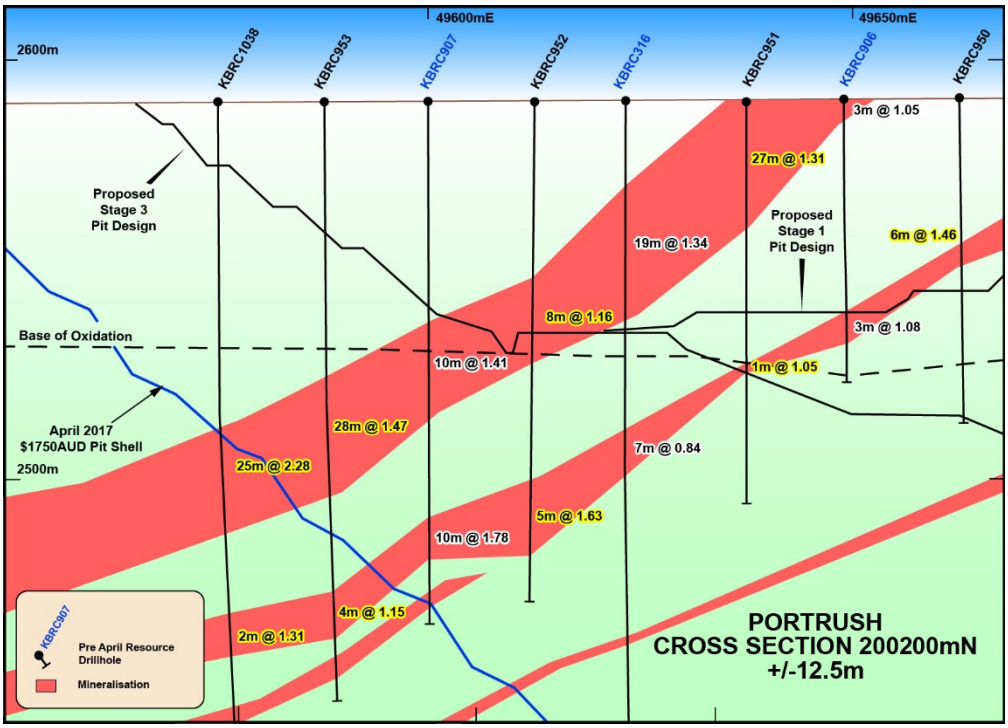

Figure 5. Portrush Prospect, section 200200mN, recent drilling (black label) pre-Resource drilling (blue label).

.

CAPRICORN METALS LTD

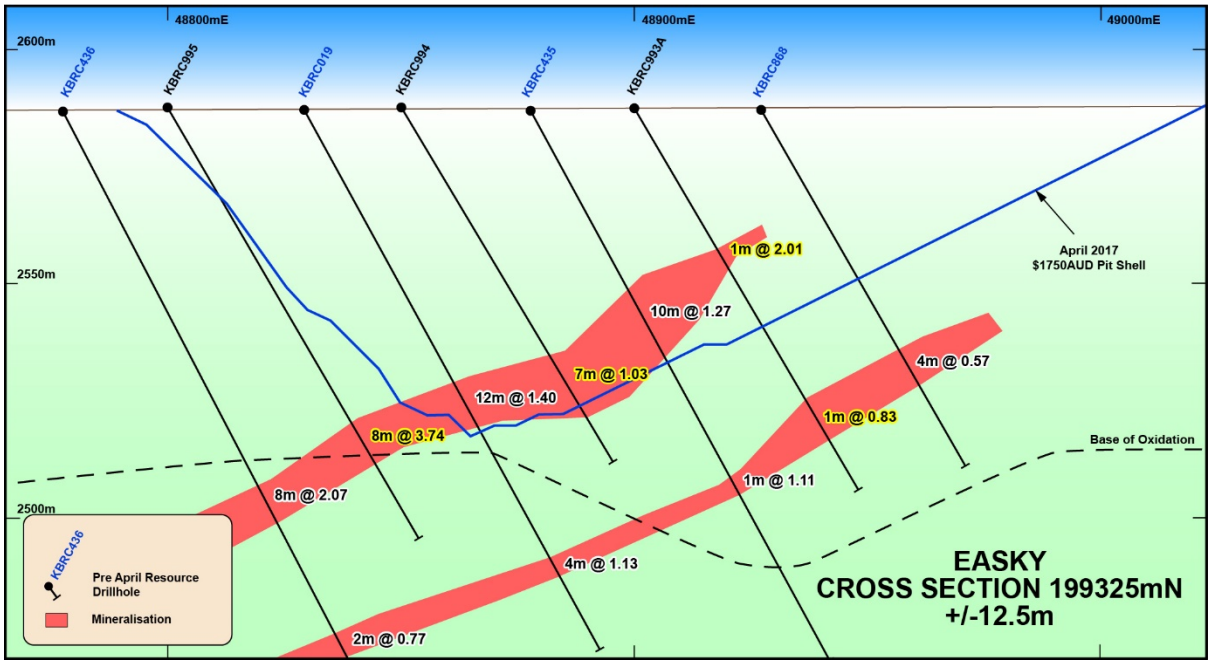

Figure 6. Easky Prospect, section 1993250mN, recent drilling (black label) pre-Resource drilling (blue label).

REGIONAL EXPLORATION

Assessment of the regional potential of the wider Karlawinda Project has been running in parallel with the drilling programs at the BGS. The aim has been to identify the next set of key targets that have the potential to produce large-scale, brownfield opportunities.

This work has involved flying a detailed airborne magnetic survey, re-modelling and targeting of IP survey data, capture of all open source data, mapping and rock chip sampling and a review of company geochemical data.

In addition, a re-assessment of the highly prospective Francopan and K3 prospects was completed by applying the advanced knowledge gained from the Bibra Gold Deposit.

BUNDORAN PROSPECT

A high priority exploration target has been identified at the Bundoran Prospect, which is located approximately 3km to the east of Bibra. An induced polarization (IP) feature has been modelled in close association with a large discordant magnetic anomaly. Wide-spaced reconnaissance drilling in proximity to the new target area has previously returned several significant gold values (Figure 7).

The prospectivity of the Bundoran Prospect is based primarily on the fact that there is a strong association with of both magnetic and IP anomalies with gold mineralisation at the BGS. The recently acquired detailed airborne magnetic data will be used to refine the existing target model ahead of drill testing.

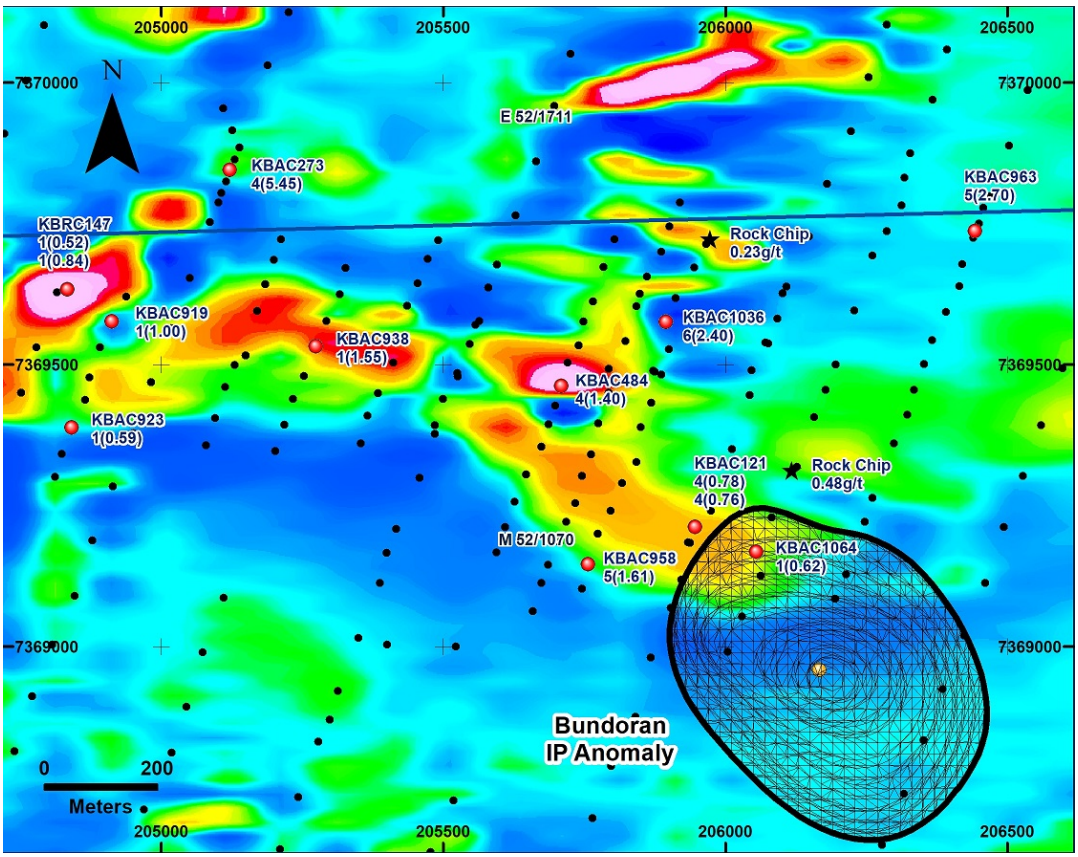

Figure 7. Bundoran Prospect, aeromagnetics, previous drilling and modelled IP target.

FRANCOPAN AND K3 PROSPECTS

A re-assessment of the Francopan and K3 Prospects has been completed by applying recent advances in understanding of the controls on mineralisation at the BGS. In particular, the controls on the high-grade domains are considered to be directly applicable.

This interpretation at both Francopan and K3 has highlighted the strong potential for drilling to confirm both these positions as large-scale mineralised systems (Figure 8).

AIRBORNE MAGNETIC SURVEY

Given the demonstrated magnetic association of the gold mineralisation at the BGS, airborne magnetic data is a crucial dataset for direct targeting of mineralisation. To further constrain this targeting, the Company decided to invest in acquiring a new high-quality airborne magnetic data set.

The survey was completed in June 2017 and covered the Bibra Gold System and surrounding areas over a total area of approximately 20km x 12km on a flightline spacing of 50m.

This key dataset will allow for:

- Detailed modelling of key geophysical targets in the immediate BGS, which will allow for effective and efficient drill targeting;
- Modelling and targeting of the 8km extension of the prospective stratigraphy to the east of the BGS;

- Provision of a key dataset for evaluation of the regional potential of the Karlawinda greenstone belt that has recently been demonstrated to be substantially larger than originally interpreted. This will include deposit styles other than Bibra.

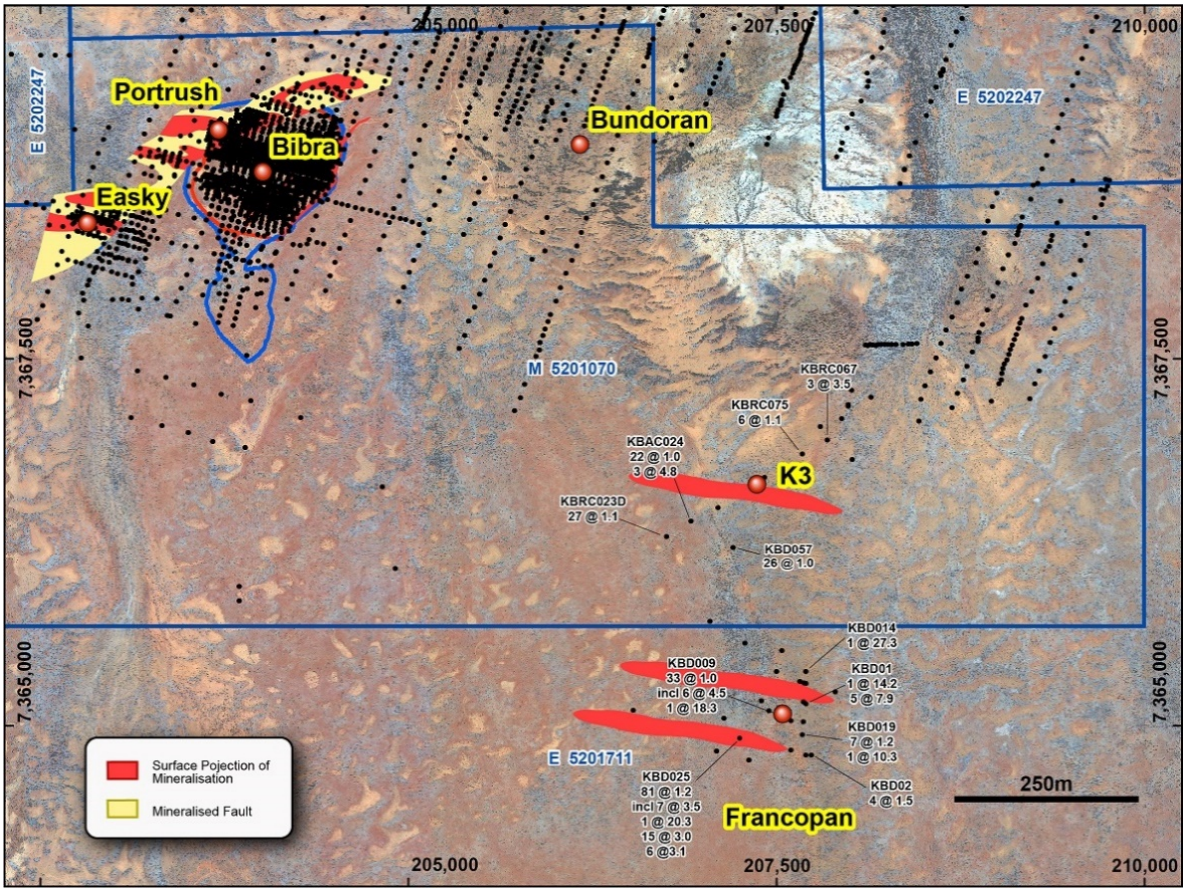

Figure 8. Francopan and K3 Prospects, surface projection of target zones.

MANAGEMENT COMMENT

Capricorn's Executive Chairman, Heath Hellewell, said the extensive exploration program undertaken at Karlawinda during the first half of the year had delivered highly encouraging results on a number of fronts.

"Firstly, the recent drilling has clearly demonstrated that the Bibra Gold System itself has significant potential to grow in scale," he said.

"There is clear potential to expand the current resource inventory at Portrush, with these ounces expected to be easily accessible with some minor modifications to the initial pit design. It is likely that this work will be undertaken once we have completed the Karlawinda Bankable Feasibility Study.

"Turning to the broader regional picture, the impressive work by our geological team has delivered a number of important breakthroughs in terms of our understanding of the geological controls on the mineralisation at Bibra, the signatures of the gold system and the broader potential of the greenstone belt.

"It is increasingly clear that the Karlawinda Project offers the potential for multiple large-scale gold systems, and we now have a much clearer picture of where the priority targets are for both our near mine and regional exploration initiative, which we intend to pursue with vigour once the Bankable Feasibility Study is completed and the project is in development."

For and on behalf of the Board

Heath Hellewell
Executive Chairman

For further information, please contact:

Mr Heath Hellewell
Executive Chairman
Email: enquiries@capmet.com.au
Phone: (08) 9212 4600

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information reviewed by Mr. Peter Langworthy who is Executive General Manager Geology, and a full-time employee of the Company. Mr. Peter Langworthy is a current Member of the Australian Institute of Mining and Metallurgy 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. Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

APPENDIX 1 – RESOURCE SUMMARY

Table 1: Bibra Gold Deposit JORC Open Pit Resource Estimate (as of 10 April 2017)

DATE	INDICATED			INFERRED			TOTAL		
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)
April 2017	28.9	1.10	1.03	2.4	1.06	0.084	31.3	1.10	1.114
July 2016	---	---	---	25.5	1.10	0.914	25.5	1.10	0.914

Table 2: Bibra Gold Deposit JORC Open Pit Resource Estimate by Domain (as of 10 April 2017)

DOMAIN	Tonnes	Grade (g/t Au)	Ounces
Laterite	1,544,000	1.4	67,600
Oxide – upper saprolite	2,318,000	1.0	73,000
Lower saprolite	3,075,000	1.0	99,850
Transitional	2,071,600	1.0	65,270
Fresh	22,322,500	1.1	808,380
TOTAL	31,331,100	1.1	1,114,000

Capricorn report that it is not aware of any new information or data that materially affects the information included in the resource announcement dated 10th April 2017and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

APPENDIX 2 – SIGNIFICANT DRILLING RESULTS

TABLE (1): Karlawinda Gold Project: Drilling Results								
Hole No	Easting	Northing	RL	Dip/Az	From	To	Width	Grade (g / t Au)
KBAC121	51730	200900	2604	-90	8	12	4	0.78
					32	36	4	0.76
KBAC273	50770	201275	2594	-90	24	28	4	5.45
KBAC484	51435	201075	2598	-90	24	28	4	1.40
KBAC919	50635	200975	2593	-90	57	58	1	1.00
KBAC923	50615	200775	2593	-90	49	50	1	0.59
KBAC938	51000	201025	2594	-90	6	7	1	1.55
KBAC958	51565	200775	2600	-90	48	53	5	1.61
KBAC963	52075	201525	2609	-90	18	23	5	2.70
KBAC1036	51585	201225	2599	-90	27	33	6	2.40
KBAC1064	51850	200875	2605	-90	37	38	1	0.62
KBRC019	48825	199325	2587	-60/090	69	81	12	1.40
					110	114	4	1.13
KBRC147	50550	201000	2593	-60/180	155	156	1	0.52
					179	180	1	0.84
KBRC316	49650	200200	2590	-90	20	39	19	1.34
					79	86	7	0.84
KBRC435	48875	199325	2587	-60/090	51	61	10	1.27
					92	93	1	1.11
KBRC436	48775	199325	2587	-60/090	93	101	8	2.07
					128	130	2	0.77
KBRC647	49700	200175	2590	-90	1	3	2	0.97
					15	22	15	1.03
KBRC868	48925	199325	2590	-60/090	62	66	4	0.57
KBRC870	48825	199350	2590	-60/90	67	79	12	2.41
KBRC900	49600	200100	2590	-90	13	20	7	1.78
KBRC904	49650	200175	2590	-90	6	31	25	0.62
	Including				6	13	7	1.03
					63	68	5	1.06
KBRC905	49602	200175	2590	-90	50	70	20	1.36
					95	97	2	1.38
KBRC906	49700	200200	2590	-90	0	3	3	1.05
					40	43	3	1.08
KBRC907	49600	200200	2590	-90	56	66	10	1.41
					98	108	10	1.78
KBRC940	49575	200100	2590	-90	33	41	8	1.37
KBRC941	49575	200125	2590	-90	93	95	2	16.7
KBRC946	49675	200175	2590	-90	0	9	9	1.15

TABLE (1): Karlawinda Gold Project: Drilling Results								
Hole No	Easting	Northing	RL	Dip/Az	From	To	Width	Grade (g / t Au)
					38	39	1	1.05
KBRC947	49625	200175	2590	-90	31	55	24	1.05
					80	84	4	0.69
KBRC948	49575	200175	2590	-90	62	82	20	0.76
	Including				72	82	10	1.03
KBRC948					100	103	3	1.51
KBRC950	49725	200200	2590	-90	32	38	6	1.46
KBRC951	49675	200200	2590	-90	1	28	27	1.31
	Including				2	16	14	2.06
					61	62	1	1.05
KBRC952	49625	200200	2590	-90	41	49	8	1.16
					95	100	5	1.63
KBRC953	49575	200200	2590	-90	65	93	28	1.47
					118	122	4	1.15
KBRC978	49225	199350	2590	-60/90	52	74	22	1.35
KBRC981	49200	199250	2590	-60/90	40	47	7	1.93
KBRC989	48975	199300	2590	-60/90	35	41	6	1.42
KBRC993A	48900	199325	2590	-60/090	40	41	1	2.01
					75	76	1	0.83
KBRC994	48850	199325	2590	-60/090	67	74	7	1.03
KBRC995	48800	199325	2590	-60/90	83	91	8	3.74
KBRC1008	49050	199375	2590	-60/90	44	51	7	2.83
KBRC1009	49025	199375	2590	-60/90	44	48	4	2.94
KBRC1011	48975	199375	2590	-60/90	36	57	21	1
KBRC1014	48900	199375	2590	-60/90	73	78	5	3.39
KBRC1037	49550	200175	2590	-90	73	89	16	1.43
					114	117	3	2
KBRC1038	49550	200200	2590	-90	77	102	25	2.28
KBRC1038					122	124	2	1.31
KBRC1039	49600	200225	2590	-90	60	85	25	1.01

APPENDIX 3: BIBRA RC DRILLING PROGRAM

JORC Code, 2012 Edition
Table 1

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	2kg - 3kg samples were split from dry 1m bulk samples. The sample was initially collected from the cyclone in an inline collection box with independent upper and lower shutters. Once the metre was completed, the drill bit was lifted off the bottom of the hole, to create a gap between sample, when the gap of air came into the collection box the top shutter was closed off. Once the top shutter was closed, the bottom shutter was opened and the sample was dropped under gravity thorough a Metzke cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. A second 2kg-3kg sample was collected at the same time the original sample. This sample has been stored on site. These duplicate samples have been retained for follow up analysis and testwork. The bulk sample of the main ore zone was discharged from the cyclone directly into green bags. The bulk sample from the waste and hanging wall zones was collected in wheelbarrows and dumped into neat piles on the ground. During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones, however approximately 10% of the holes drilled had the whole hole weighed. Field duplicates were collected at a ratio of 1:20 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	All Drilling has been completed by reverse circulation using a DRA600 RC rig with 1150cfm@350psi compressor with a 1800cfm x 900psi booster and 900cfm, 350psi auxiliary. The hole was drilled using a nominal 135mm diameter face sampling bit, and to limit the hole deviation 4metre thick wall rod and top and bottom stabilisers were used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones, however approximately 10% of the holes drilled had the whole hole weighed. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. At the end of each metre the bit was lifted off the bottom to separate each metre drilled. The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery. From the collection of recovery data, no identifiable bias exists.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure. Data on rock type, deformation, colour, structure, alteration,

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	veining, mineralisation and oxidation state were recorded. RQD, magnetic susceptibility and core recoveries were recorded. RC chips sample quality and weights were also recorded, including whether wet or dry Logging is both qualitative and quantitative or semi-quantitative in nature. Core was photographed both dry and wet
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Samples were split from dry, 1m bulk sample via a cone splitter directly from the cyclone. The quality control procedure adopted through the process includes: Weighing of both Calico samples and reject sample to determine sample recovery compared to theoretical sample recovery and to check sample bias through the splitter. Field duplicates were collected at a ratio of 1:20 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges The duplicate and CRM's were submitted to the lab using unique sample ID's. A 2kg – 3kg sample were submitted to Intertek laboratory in Maddington in WA. Samples were oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg. Samples were then pulverised in LM5 mills to 85% passing 75µm under sample preparation code EX03_05 which consists of a 5 minute extended preparation for RC/Soil/RAB. The extended time for the pulverisation is to improve the pulverisation of samples due to the presence of garnets in the samples All the samples were analysed for Au using the FA50/MS technique which is a 50g lead collection fire assay
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Samples were submitted to the Intertek laboratory in Perth. In the waste zones, analysis has been completed by a single fire assay. In the main mineralised zone four fire assays from the sample pulp were completed and then averaged to determine, the assay grade of the sample to reduce the impact of the nugget effect in each ore zone sample The samples were determined for gold, Pt, Pd and additional elements/base metals, ICP mass spectrometry. Field duplicates were collected at a ratio of 1:20 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Logging and sampling were recorded directly into a Micromine field marshal template, which utilises lookup tables and in file validation on a Toughbook by the geologist on the rig. Assay results when received were plotted on section and were verified against neighbouring holes.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drillhole collars were positioned using a Garmin hand held GPS or by Survey group of Osbourne Park, WA Downhole surveys were collected by driller operated in-rod reflex north seeking gyro at the end of each hole. The

Criteria	JORC Code explanation	Commentary
		measurements were taken every 30 metres. .
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Drilling is being completed on a 25x25m and 25x50m grid. Samples collected and analysed for each metre down the hole. Whole hole is analysed
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill lines are oriented across strike on a local grid. Bibra orebody dips at 30 degrees to the North West. Holes in the drill programs have being drilled at inclination of -60 and -90 degrees. The orientation of the drilling is suitable for the mineralisation style and orientation of the Bibra mineralisation.
Sample security	• *The measures taken to ensure sample security.*	Calico sample bags are sealed into green bags/polyweave bags and cable tied. These bags were then sealed in bulka bags by company personnel, dispatch by third party contractor, in-company reconciliation with laboratory assay returns.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Program reviewed by company senior personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Bibra Deposit is located in M52/1070 held by Greenmount Resources PTY LTD. The Bibra mineralisation is within the granted M52/1070 exploration tenement in the Pilbara region of Western Australia. M52/1070 was acquired from BHPB in 2008. BHPB retain a 2% NSR and a claw-back provision whereby BHPB can elect to acquire a 70% equity in the project only if JORC compliant reported resources of 5,000,000 ounces of gold and/or 120,000 tonnes of contained nickel have been delineated. The Nyiyaparli group are Native Title claimants covering an area including M52/1070. There is no known heritage or environmental impediments over the lease. No other known impediments exist to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Prior to Capricorn Metals, the tenement was held by the Independence group (IGO) who undertook exploration between 2008 & 2014. Prior to Independence group, WMC explored the area from 2004 to 2008
Geology	• *Deposit type, geological setting and style of mineralisation.*	Bibra is part of a large-scale Archaean aged gold mineralized system. The resource is hosted within a package of deformed meta-sediments which has developed on at least two parallel, shallow dipping structures; supergene oxide mineralization has developed over the structures close to surface. The primary mineralization is strata-bound with lineation's identified as controlling higher-grade shoots. The deposit is oxidized to average depths of 50-70m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Please refer to Tables in the text

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No aggregate functions used in the reporting of exploration results in this release.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	At Bibra, the geometry of the mineralisation has already been defined from previous drilling programs. The intersection angle between drill angle and the perpendicular angle to the ore zone is less than 10 degrees.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The diagrams in the report provide sufficient information to understand the context of the drilling results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The accompanying document is considered to be a balanced report with a suitable cautionary note.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Systematic metallurgical testwork programs over 2016/17 on master and variability composites from diamond core identifies mineralisation as free milling and amenable to cyanidation
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work will involve drilling of further holes to test the lateral extents of the gold mineralisation identified in this round of drilling