KARLAWINDA GOLD PROJECT MAIDEN ORE RESERVE STATEMENT

SUMMARY

- A JORC 2012 compliant Ore Reserve of 21 million tonnes @ 1.06g/t Au containing 713,000 ounces of gold has been estimated by mining consultant Cube Consulting.
- The Ore Reserve is contained entirely within the April 2017 Bibra Deposit open pit constrained Mineral Resource estimate and is based entirely on Indicated Resources. The Ore Reserve estimate represents a conversion rate of approximately 70% of Indicated Resources.
- The Ore Reserve has been estimated using a gold price assumption of A$1500/ounce and a variable cut-off grade of between 0.40g/t and 0.47g/t Au (dependent on ore type).
- The Ore Reserves have been estimated based on detailed open pit designs with a stripping ratio of 2.9:1 for Stage One (laterite and oxide ore) and a life of mine (LOM) stripping ratio of 4.7:1.
- This Ore Reserves estimation is based on information derived from the Feasibility Study (FS) currently being completed for the Karlawinda Gold Project, which is due for release late in the September quarter.

MANAGEMENT COMMENT

Capricorn's Executive Chairman, Heath Hellewell, said "The release of the maiden Ore Reserve for the Karlawinda Gold Project is the culmination of many months of dedicated work by our team."

"This Ore Reserve provides us with the confidence that the Bibra Deposit will form the basis for the development of the Karlawinda Gold Project in the near term."

"We look forward to releasing the results of the Feasibility Study in September which we expect will show Karlawinda to be an economically robust project."

ASX ANNOUNCMENT

7 August 2017

ASX Code: CMM

ABN: 84 121 700 105

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

BIBRA ORE RESERVE

The Company is pleased to provide the maiden JORC 2012 compliant Ore Reserve estimate of 21 million tonnes @ 1.06g/t Au for 713,000 ounces for the Bibra Deposit at the Karlawinda Gold Project, which is based on the updated 2017 Mineral Resource estimate (ASX release 10 April 2017) of 31 million tonnes @ 1.1g/t Au for 1.114 million ounces.

TABLE 1: BIBRA GOLD DEPOSIT JORC OPEN PIT RESERVE STATEMENT
(A$1500/ounce assumption)

Date	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)
July 2017	-	-	-	21	1.06	0.713	21	1.06	0.713

Notes:

1. *Reserves are a subset of Resources*
2. *Ore Reserves conform with and use the JORC 2012 Code definitions*
3. *Ore Reserves are calculated using a gold price of A$1500/ounce*
4. *Ore Reserves are calculated using a cut-off grade between 0.40g/t and 0.47g/t Au*
5. *Mining dilution, estimated by modelling to a Selective Mining Unit (SMU) with dimensions of 5m x6.25m x2.5m result in a reduction of 13% of reportable Au ounces*
6. *All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation*

The Ore Reserve is contained within a detailed, staged open pit design (Figure 1) with a stage one stripping ratio of 2.9:1 and a life of mine (LOM) stripping ratio of 4.7:1 (Table 2). The stage one pit shells contain predominantly laterite and oxide mineralisation.

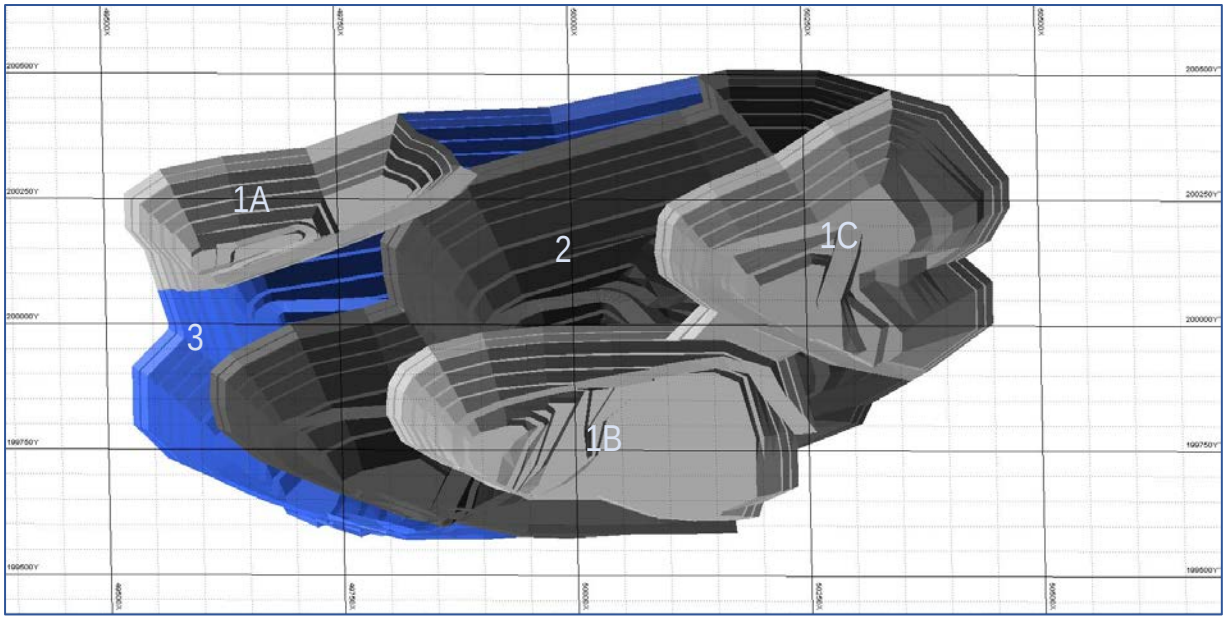

Figure 1: Bibra Ore Reserve, oblique view of detailed staged open pit designs. Grid is 250m x 250m.

CAPRICORN METALS LTD

TABLE 2: BIBRA ORE RESERVE, DETAILED STAGED OPEN PIT ORE PROFILES

Pit Stage	Tonnes	Grade (g/t Au)	Ounces	Strip Ratio (Waste : Ore)
1A	554,000	0.9	16,000	5.4 : 1
1B	1,630,000	1.2	63,000	3.1 : 1
1C	2,892,000	1.05	98,000	2.4 : 1
2	8,172,000	1.03	271,000	4.9 : 1
3	7,777,000	1.06	266,000	5.5 : 1
TOTAL	21,025,000	1.06	713,000	4.7 : 1

BIBRA MINERAL RESOURCE

In April 2017 Capricorn released an updated Mineral Resource estimate for the Bibra Deposit (Table 3, Figure 2), the August 2017 maiden Ore Reserve statement is a subset of these previously announced resources. See ASX announcement dated 10th April 2017 for full details of the resource estimate.

TABLE 3: BIBRA GOLD DEPOSIT JORC OPEN PIT RESOURCE ESTIMATE
(A$1750/ounce assumption)

Date	INDICATED RESOURCES			INFERRED RESOURCES			TOTAL RESOURCES		
	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

Notes:

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

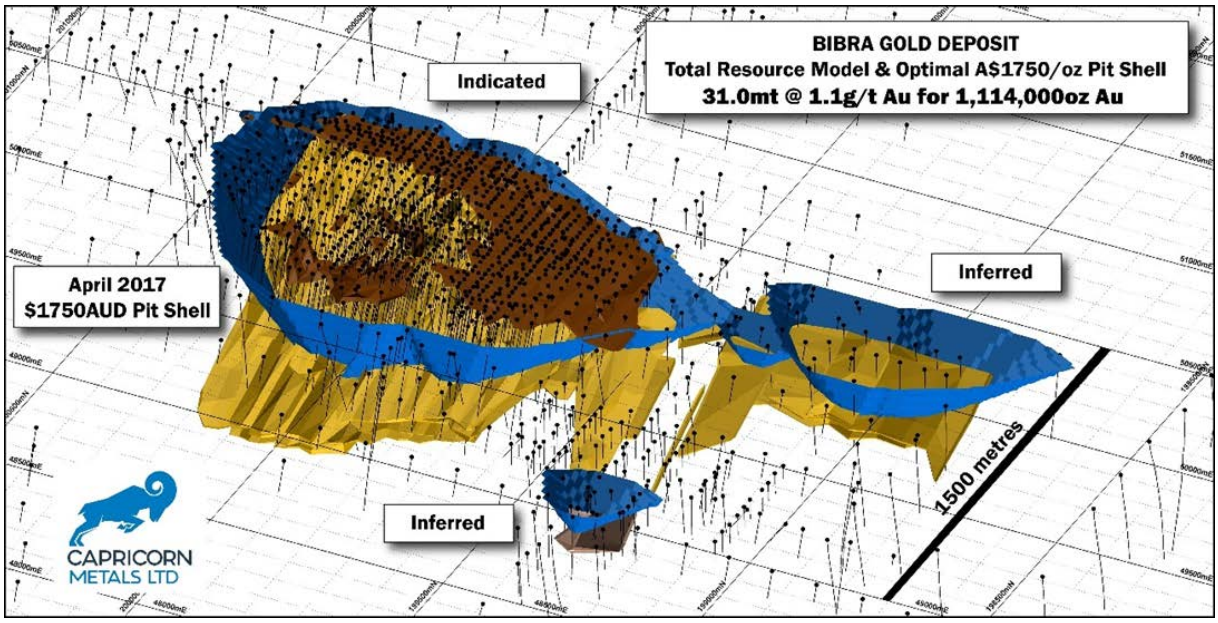

Figure 2: Bibra Resource and optimised pit shells

CAPRICORN METALS LTD

KARLAWINDA FEASIBILITY STUDY STATUS

The Ore Reserve estimate has been completed on the basis of modifying factors determined in a soon to be finalised Feasibility Study (FS). The study is being completed by a team consisting of Capricorn personnel and independent external consultants. The components of the FS that are yet to be completed are not considered to have a material negative impact on this Ore Reserve estimate with all moderating factors used for the estimation defined by studies within the tolerances expected for a FS. The FS is expected to be completed in September 2017.

The proposed mine plan is technically achievable. All proposals for the operational phase involve the application of conventional technology which is widely utilised in Western Australia.

Financial modelling completed as part of the FS shows that the project is economically viable under current assumptions. In the opinion of the Competent Person, cost assumptions and modifying factors applied in the process of estimating Ore Reserves are reasonable. The Ore Reserve is considered to provide the basis of a technically and economically viable project.

Material assumptions (mining, processing, infrastructure, economic, commercial, environmental and social) have been considered as part of the FS and during the Ore Reserve estimation process.

KARLAWINDA GOLD PROJECT LOCATION AND TENURE

The Karlawinda Gold Project is located in the Pilbara region of Western Australia, 70km by road south-east of the town of Newman (Figure 3). Karlawinda is an advanced gold project which includes the Bibra deposit and numerous outstanding exploration targets including the Francopan prospect. The Project covers a total area of approximately 1,419km^2.

Capricorn completed a positive Scoping Study in July 2016, which was based on a single large open pit at Bibra feeding a 3Mtpa standalone CIP (carbon-in-pulp) processing facility on site. Annual gold production is forecast to average around 100,000oz/pa over an initial mine life of approximately 7 years.

In the second half of 2016, Capricorn commenced the FS on the development of the Karlawinda Gold Project. This study is underpinned by a major 75,000m in-fill RC and diamond drilling program completed in December 2016. The aim of this program was to upgrade the confidence level in the previous Inferred Mineral Resource estimate at Bibra to the Indicated category. This drilling program was one of the largest drilling campaigns undertaken within the Australian gold sector in 2016.

The Bibra deposit is covered by mining lease M52/1070 100% held by Greenmount Resources Pty Ltd, (Greenmount) a wholly owned subsidiary of Capricorn. M52/1070 is a granted mining lease of sufficient size to cover the Bibra resource area and potential associated infrastructure for a future mining operation. M52/1070 was excised upon grant from the granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHP Billiton Ltd (BHPB) in 2008 by Independence Group NL. Greenmount subsequently acquired E52/1711 in 2015. South 32 Limited (via BHPB) retain a 2% NSR over E52/1711 and any subsequent tenements, including M52/1070.

Western Australia is recognised globally as a low risk mining jurisdiction.

The Nyiyaparli group are the Native Title claimants covering an area including M52/1070. There are no known heritage or environmental impediments over the mining lease.

Capricorn has negotiated a Land Access Agreement with the Nyiyaparli group over this and all other Company tenure in this region. No known social or environmental impediments exist with respect to the proposed mining operation.

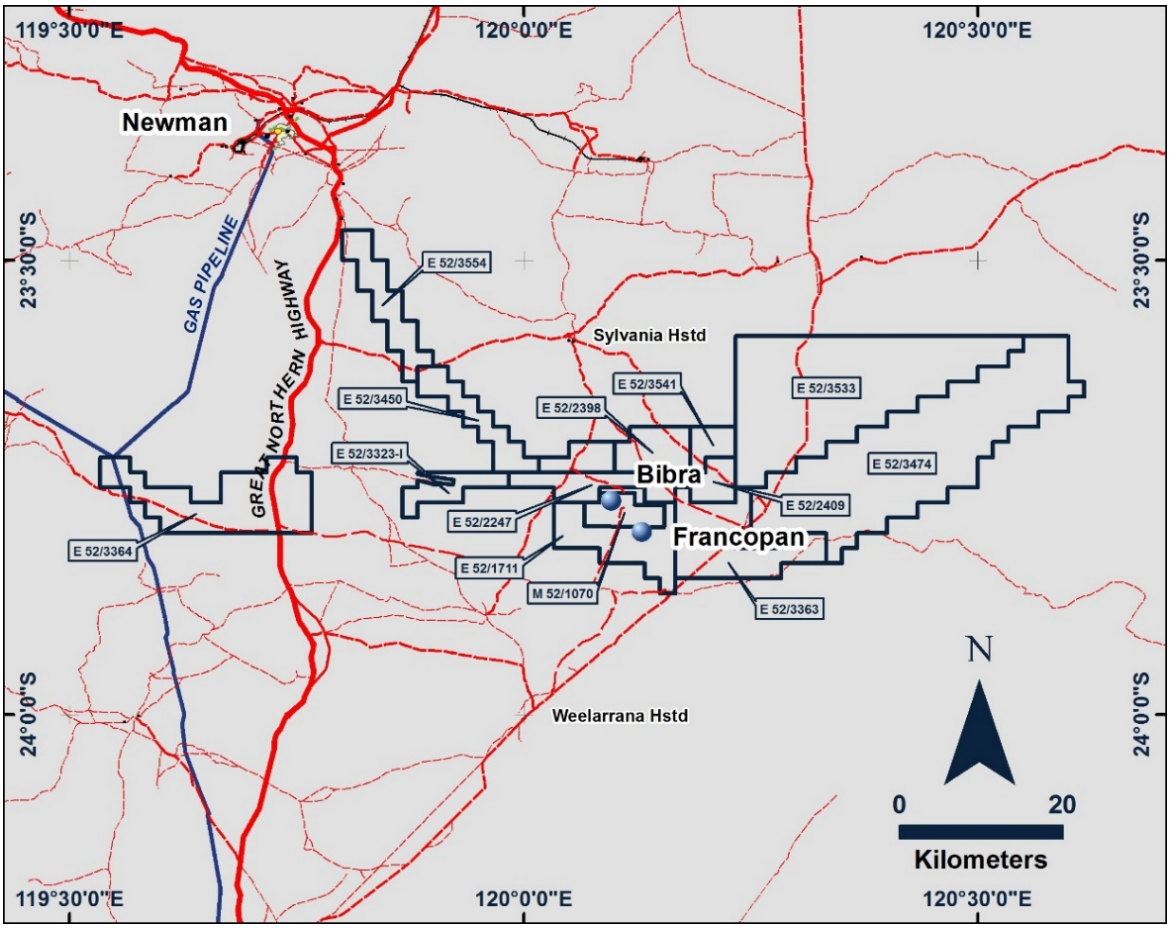

Figure 3: Location Map: Karlawinda Gold Project

REGIONAL INFRASTRUCTURE

The project site is within economic distances of existing infrastructure in the east Pilbara region. The town of Newman contains world class engineering, mining support services and key infrastructure including a major airport and power station and will act as a logistics base for the project. The project is planned to operate as a Fly In-Fly Out (FIFO) operation. However, there is the opportunity for Newman to be a residential base for project employees. Services and consumable supplies will be delivered by existing roads and a new 33km Access Road from the Coobina gazetted road to the project.

Land availability is not considered an issue, with the mining and exploration tenure held by Capricorn covering all project requirements. The proposed mining area lies at the northern boundary of the Weeleranna pastoral lease and the Company has a co-operative working relationship with all pastoralists over the project area.

BIBRA DEPOSIT GEOLOGY

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. The system is hosted in a sequence of Archaean greenstones metamorphosed to amphibolite facies. The greenstones comprise a mafic volcanic sequence with interbedded sedimentary and volcanoclastic units.

The deposit has been defined by drilling over a 1.1km strike length and is drilled to 800m down-dip where it is still open. The mineralised shoots are present in drilling as broad zones up to 50m wide and are continuous down plunge. It is thought the shoots are developed in dilation zones along the main structures. A large laterite and oxide weathering zone is developed over the primary geology and this is mineralised in the near surface, up-dip position of the main shoots of primary mineralisation. A thin veneer of transported sandy soil covers the deposit and is typically less than 3m thick, the transition/fresh rock boundary is about 60m below surface.

Geological logging suggests alteration consisting of biotite, carbonate and magnetite mineralisation forms a halo surrounding the intense silica, pyrite and gold mineralisation. The metamorphic overprint of the mineralisation may have altered some of the primary alteration and mineralisation to the present day mineral species.

Confidence in the geological interpretation is good. The stratigraphy is consistent and can be correlated between holes and along strike.

Geological logging and structural measurements from drillholes have been used to construct the geological resource model. Sections were interpreted, digitised and a three dimensional (3D) wireframe model constructed.

MINING ASSUMPTIONS

The Bibra deposit will be mined by open pit mining methods using conventional mining equipment. The final pit design is based on the Ore Reserve.

The selected mining method, design and extraction sequence are tailored to suit orebody characteristics, minimise dilution and ore loss, defer waste movement, minimise rates of vertical mining advance, utilise planned process plant capacity and expedite free cash generation in a safe manner. The open pit has been scheduled based on realistic mining productivity with readily achievable mining rates along with consistent material movements.

The mining operating costs have been provided by contractor budgeted quotes for drilling, blasting, loading and haulage. Cost estimate studies for grade control have been completed by Capricorn with a suitable allowance made on a per ore tonne basis. Capricorn has commenced an independent study to generate a zero-based mining cost estimate to support the FS. The study will also be used to further review, evaluate and benchmark mining contractor submissions.

Geotechnical Modelling

Geotechnical modelling has been completed by an external consultant based on field logging and laboratory testing of selected diamond drill core samples from 16 drilled for purpose geotechnical diamond drillholes. The open pit designs are based on the recommended geotechnical design parameters and assume dry slopes based on the assumption of adequate dewatering and/or depressurisation ahead of mining.

The low-angle dip of the deposit (28^{o} to West) allows for a designed overall batter angle on the Footwall (Eastern side of pit) between ramps of 25 ^{o}. The western wall (Hanging Wall) of the pit is designed to

have an overall batter angle of 47o. A decision on the final wall angle will not be required until at least three years into the mining operation and will follow analysis of performance of the interim wall.

A separate hydrogeological report was prepared by independent consultants which considered the requirements to effectively dewater the open pit and pit slopes. This study was supported by the development of test bores and field test pumping analysis. The water quality of the defined aquifer at Karlawinda is low is total dissolved salts and the Project will not require the installation of a reverse osmosis plant.

Mining Dilution

Mining dilution and recovery modifying factors were simulated by modelling to a Selective Mining Unit 5X; 6.25Y; 2.5Z (SMU) which attempts to simulate the capability of the mining method. The re-blocking technique dilutes fully into the SMU size and the resultant model is then used as a diluted model.

The addition of dilution in the Ore Reserve estimate results in a loss of tonnes due to the number of blocks being diluted to below the reporting cut-off grade resulting in a 11% reduction in tonnes, a 2% reduction in in-situ grade and a 13% reduction in contained metal.

Mining Infrastructure

The proposed mine plan includes waste rock dumps, a ROM pad, a surface water diversion channel, surface dewatering bores, light and heavy vehicle workshop facilities, explosives storage, supply facilities, technical services facilities, accommodation camp and administration facilities.

METALLURGICAL AND PROCESSING ASSUMPTIONS

A processing flowsheet, materials balance, water balance, equipment identification, mechanical and electrical layouts are all developed to FS standard.

A single stage primary jaw crush, semi autogenous grinding (SAG) mill (6.5MW) and, after the second year of operations, a ball mill (SAB) (~2.5MW) comminution circuit followed by a conventional gravity (2x 48" Knelson concentrators with ILR3000B gravity leach reactors) and carbon in pulp (CIP) process is proposed. This process is considered appropriate for the Bibra ore, which is free-milling with a relatively high component of gravity recoverable gold.

The proposed metallurgical process is commonly used in the Australian and international gold mining industry and is well-tested and proven technology.

Comminution

Significant comminution (the reduction of particle size by crushing and grinding), extraction, and physical properties testing has been carried out on approximately 2,000kg of half-HQ and NQ diamond drilling core samples from 24 drillholes, and 300kg of RC chip samples (Table 4). This has been carried out on laterite, oxide, saprolite, transitional, and fresh ore types which were obtained across the Bibra deposit and to a depth of approximately 200m.

TABLE 4: BIBRA COMMUNITION TESTWORK SUMMARY

Test	Ore	Units	Result
SMC (A*b)	Oxide Fresh		89 30
BBWI	Oxide Fresh	kWh/t kWh/t	13.0 14.5
UCS	Fresh	Mpa	54
Abrasion Index	Oxide Fresh	g g	0.07 0.23

Metallurgical Recovery

Estimated plant gold recovery ranges from 91.8% to 94.1% depending on grind size and ore type (Table 5). An average of 25% of gold from oxide ore and 45% from fresh ore is estimated to be recovered by gravity methods. No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.

TABLE 5: BIBRA GOLD RECOVERY TESTWORK SUMMARY

Test	Ore Type	Grade (g/t)	Units	Recovery (Based on FS Resource Grade)	
				Scoping Study Recovery (%) (P80 grind size)	FS Recovery (%) (P80 grind size)
Gravity	Laterite Oxide Transition Fresh	1.4 1.0 1.0 1.1	% % % %	- - - 24	< 10 25 45 45
Overall	Laterite Oxide Transition Fresh	1.4 1.0 1.0 1.1	% % % %	92.1 (125 µ) 89.0 (125 µ) 90.0 (125 µ) 91.4 (106 µ)	94.1 (150 µ) 92.8 (150 µ) 91.8 (150 µ) 92.5 (106 µ)
Average		1.09	%	90.4	92.6

Reagent Consumption

Reagent consumption estimates used in the Ore Reserve are based on gold recovery and comminution test work and are considered to be relatively low when compared to similar Archaean greenstone deposits. (Table 6).

TABLE 6: BIBRA REAGENT CONSUMPTION

Reagent Use	Units	
Cyanide Oxide	kg/t	0.46
Cyanide Primary	kg/t	0.31
Lime Oxide	kg/t	2.44
Lime Primary	kg/t	0.31
Grind Media Oxide	kg/t	0.36
Grind Media Primary	kg/t	0.82
Oxygen	Sm3/h	35

Processing Parameters

TABLE 7: KARLAWINDA PROCESSING PLANT PARAMETER SUMMARY

Processing			
Throughput Oxide		Throughput Primary	
Mta	3.75	Mta	3.00
t/h	452	t/h	361
Crushing Circuit		Milling Circuit	
Capacity (t/h)	600	Grind P80 Oxide (um)	150
Crusher Power (kW)	200	Grind P80 Primary (um)	120
Overall Comminution Power		Gravity Circuit	
Crush & Mill Oxide (kW)	5635	Treatment Rate (t/h)	644
Crush & Mill Primary (kW)	8372	Rate (kg/d Con)	6700
Leach Circuit		Elution Circuit	
Tanks	7	Capacity (t)	6
Tank Volume (m3)	2000	Regeneration Kiln (kg/h)	400
Total Tankage (m3)	14000		
Residence Oxide (h)	19		
Residence Primary (h)	24		

Tailings Disposal

Tailings disposal is intended to be within an Integrated Waste Landform (IWL) whereby tailings are encapsulated by mining waste, rather than having separate waste dumps and tailings facilities. The IWL tailings storage facility will deliver significant cost savings in development and sustaining capital.

INFRASTRUCTURE

The workforce will be Fly In-Fly Out (FIFO) and based at a dedicated camp on the mining lease during rostered days on. Commercial flights to Newman airport, 55km North of the Project will be used and a dedicated on-site airstrip is not required.

Pump testing and modelling of the potential yield from the Karlawinda borefield indicate that there is sufficient groundwater to service the needs of the Project for the life-of-mine. This will require the development of 15 water production bores, of which 5 have already been developed, and 18km of pipelines.

Power will be generated either on site utilising diesel or gas (LNG or reticulated from the GGT) or power may be transmitted from the Newman power station which will require the construction of a 63km 66kV powerline. Cost assumptions used in the estimation of the Ore Reserve are based on quotes for a base case and any variation from this case will not have a material negative impact on this Ore Reserve estimate.

COST AND ECONOMIC ASSUMPTIONS

The operating cost estimate accuracy used for the Ore Reserve estimate is -15% /+15%. The operating cost estimate is appropriate for the current market in Western Australia. Cost inputs have been estimated from quotations and/or by competent specialists.

Capital Costs for process plant and infrastructure are estimated in 2017 Australian dollars at an US dollar exchange rate of A$1:US$0.75. In terms of determining whether the Ore Reserves can form the basis of a technically and economically viable project, the key capital cost estimates for the processing plant, key infrastructure, pre-mining capital costs and sustaining capital costs are understood and estimated to a FS level of accuracy. Any modification to these costs during the completion of the FS are not considered to have a material negative impact on this Ore Reserve estimate.

Gold bullion transportation and refining charges are derived on the basis of a quote provided by a leading Australian Gold Refinery.

An allowance has been made for all royalties, including an allowance of 2.5% of revenue for royalties payable to the Western Australian State Government and a 2% allowance for the current commercial royalty to South 32. The terms of the royalty payable to the other private party is covered by confidentiality restrictions.

A Life-of-mine (LOM) gold price forecast of A$1,500/ounce (in real 2017 terms) is applied in the financial modelling for the Ore Reserve estimation process. This price forecast was established by Capricorn because of historical A$ gold price trends over the last five years. Over that review period the price of gold has ranged between A$1,300/ounce and A$1,800/ounce and averaged approximately A$1,500/ounce. Net present value (NPV) and free cashflow analysis of the Ore Reserve based on the assumed commodity price and other current key assumptions indicates that the project retains a suitable profit margin against reasonable future commodity price assumptions.

Sensitivity analysis has indicated that the project drivers are gold prices, metallurgical recoveries followed by operating costs and project economics remain favourable for the sensitivity tests within reasonable ranges.

Various contract negotiations have commenced. There are reasonable prospects to anticipate that contract terms as assumed in the Ore Reserves estimate will be achieved.

SOCIAL AND ENVIRONMENTAL

Flooding risk has been analysed by an independent external expert and deemed to be minimal.

No significant flora or fauna species, including subterranean species have been identified that would be significantly impacted by the Project in a manner that could not be adequately managed.

Waste rock and tailings characterisation work has been completed and all waste types and tailings are non-acid forming and have limited metal leachate potential.

The permitting process for the project is transparent, clearly defined and well understood.

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 compiled or reviewed by Mr. Michael Martin who is Chief Geologist and a full-time employee of the Company. Mr. Michael Martin is a current Member of the Australian Institute of Geoscientists 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 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.

The information in this report that relates to Ore Reserves for Bibra is based on information compiled by Quinton de Klerk. Mr de Klerk is an employee of Cube Consulting PL and is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM, #210114). Mr de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being 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. de Klerk consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Resources (10/4/2017) and Metallurgy (19/6/2017) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.

APPENDIX ONE

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.*	Drilling in the Bibra deposit has been completed by two companies Independence Group (IGO) and Capricorn Metals Group (CMM). The methods of collection have been very similar in terms of sampling procedures, drilling methods and sampling quality. For 2016 & 2015 RC drilling the standard method of sample collection included the following: 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 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

Criteria	JORC Code explanation	Commentary
		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. For the diamond drilling- NQ core was half cut in half using a Corewise automatic core saw. In 2012, RC samples were collected for 1m intervals using a rig-mounted cone splitter that was not hydraulically adjustable. Samples were meant to be 12½% from each of the two sample chutes and 75% collection of the remainder in plastic bags. A system for measuring weights of bags to prove sample representivity commenced with the program, and showed that the splitter and collection system was not optimal for much of the RC drilling. Issues such as undersize and oversize samples were common, and bias between the paired samples was seen, particularly in the regolith as well as in the fresh rock where the collection system had not been cleaned. Wet samples were grab sampled and recorded as such in the database, few were within mineralised zones. NQ core was half-core sampled and HQ/HQ3 core was initially quarter-core sampled. Issues with quarter-coring in the regolith with complete disintegration of the sample and loss of material were identified, and reverted to half-core sampling with less water for better sample quality. Standards, blanks and field duplicates were inserted into each batch of samples submitted to the laboratory. Prior to 2011 the standard method of sample collection included the following: Prior to 2011, RC samples were collected at the rig using a cone splitter that split the 1m cuttings into 87½% & 12½% splits. RC samples were originally composited to 2m by taking scoops from each of the 1m interval 87½% portions, and submitted to Genalysis for sample preparation and analysis.

Criteria	JORC Code explanation	Commentary
		Samples that returned values >0.5g/t Au were submitted as 1m samples to Genalysis (the 12½% splits from the cone splitter). In 2011, RC samples were not composited and 1m interval samples were sent directly to Genalysis. A rig mounted cone splitter was used to split the samples into 87½% & 12½% splits. NQ2 core was half-core sampled and PQ and PQ3 core was quarter-core sampled using a manual core-cutting diamond saw without water in the oxide zone. The dry cutting was to prevent loss of clays for the metallurgical samples. Sample quality is considered to be good and all RC drilling within the resource area was dry.
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.).*	Drilling in 2015, 46 RC holes have been completed by reverse circulation using Ranger Drilling DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary. In 2016, 3 Ranger Drilling drill rigs were used including 2 x DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary and 1 KWL350 truck mounted RC Rig with 1050cfm x 350psi on board compressor, Sullair 1050cfm @ 350psi auxiliary compressor and Air-research 1150cfm x 350psi booster. The holes were 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. In 2016, 35 PQ/HQ diamond holes were drilled by Westralian Diamond Drillers (Kalgoorlie) for 4,610m using two KL900 rig's. In 2012, 60 RC drillholes for 8409m and RC precollars for 534.8m were drilled by Blue Spec Mining using a KLBS900 Multipurpose rig with 4inch drill rods and face sampling 5inch bits. Two HQ3/NQ diamond holes were drilled by Blue Spec for 305.3m using the Multipurpose rig and 24 HQ/HQ3 diamond holes were drilled by Foraco for 3158.6m using a UDR1000 truck-mounted rig. Core from the Foraco drilling was oriented using an Ezymark orientation tool. Numerous aircore holes have been drilled into the project but these were not used in the resource estimate In 2009-2010, principally Reverse Circulation (RC) drillholes using face

Criteria	JORC Code explanation	Commentary
		sampling bits (Ranger Drilling Services, Boart Longyear Pty Ltd or Profile Drilling Services) with 3 diamond holes that have RC precollars (precollars drilled by Ranger Drilling Services (70-202m downhole depth) and NQ2 diamond tails drilled by Boart Longyear Pty Ltd) and 2 other diamond holes (PQ3 sized core by Drill West for metallurgical testing purposes). Three core holes (KBD026-028) were oriented using an Ace orientation tool. In 2011, 78 RC drillholes for 14,103m were drilled by Profile Drilling Services using a Schramm RC rig and 11 diamond holes (two with RC precollars, precollars drilled by Profile Drilling Services) drilled by Drill West using a Boart Longyear LF90D skid mounted rig. Core diameter was PQ3 and PQ to provide samples for metallurgical testwork and to also twin RC drillholes. Core was oriented (where possible) using a Reflex ACE orientation instrument.
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. From this process showed that the majority of ore grade samples had recoveries greater than 80% 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. In 2012 RC sample recovery was variable, particularly in the regolith. Sample quality was recorded during logging and qualitative recovery codes were assigned to each sample. Sample weights were measured for each component of RC hole cuttings in mineralised zones, with results showing that

Criteria	JORC Code explanation	Commentary
		regolith samples were generally poor quality (both under and over-weight samples) and quality was moderate in the other zones. Quantitative sample recoveries for RC samples can be calculated from the total recovered weights. Core was reassembled for mark-up and was measured, with metre marks and down-hole depths placed on the core. Depths were checked against driller's core blocks and discrepancies corrected after discussion with drillers. Core loss was recorded in the geological log Core recovery was generally good. RC sample recovery prior to 2012 has been logged as good with samples kept dry during drilling. There is no obvious relationship between sample recovery and grade.
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.* • *The total length and percentage of the relevant intersections logged.*	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, 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.*	For holes KBRC284 to KBRC907. 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.

Criteria	JORC Code explanation	Commentary
	• *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.*	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. All core has been cut into half or quarter core for sampling. For early drillholes KBRC005-010, RC composite samples (2m) were submitted to Genalysis where they were sorted, dried and the total sample pulverised in a single stage mix and grind if the sample mass was <3kg. Samples >3kg mass were riffle split using a 50:50 splitter and one half pulverised. Samples were analysed for Au using an aqua regia digestion (AR10/OM) of a 10g pulp sample with ICP-MS determination. Samples that returned values >0.5g/t were submitted to Genalysis as 1m resplit samples and prepared in a similar manner as the composites. For drillholes from KBRC011 to KBRC283 (2009-2012), no compositing took place, 1m split RC samples and core samples were submitted to Genalysis for fire assay. 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

Criteria	JORC Code explanation	Commentary
		2.5kg (2012 drilling). Samples were then pulverised in LM5 mills to 85% passing 75µm. All the samples were analysed for Au using the FA50/AAS technique which is a 50g lead collection fire assay with analysis by Flame Atomic Absorption Spectrometry. The fire assay method is considered a suitable assaying method for total Au determination. The aqua regia digestion results (used for samples that were <0.5g/t Au) may not allow for total Au determination in the transition and fresh rock zones. These aqua samples are only present for 5 holes and therefore represent only a very small percentage of the samples. For core and RC samples the sample preparation technique is appropriate and is standard industry practice for a gold deposit. Quality control for maximising representivity of samples included sample weights measuring, insertion of field duplicates and laboratory duplicates. Testwork during 2012 and 2013 by Independence Group involved assessing the cost and effectiveness of using multiple fire assays (up to 4, averaging the results) to simulate a larger sample mass, as well as 1kg LeachWell tests with fire assay of the tail, and screen fire assays. All methods would improve precision but at significant cost. Testwork on grind time to see if finer particles would improve precision showed that any increase in grind time over 5mins resulted in rolling and plating of the gold particles and did not reduce their size, whereas the gangue minerals were substantially reduced in size. The inability to comminute the nuggety gold particles is part of the poor precision problem when using 50g fire assay charges. Field duplicates were inserted, but review of results is hampered by the assay repeatability problem when using the 50g fire assay method. Field duplicate and primary sample pairs, whether assayed by screen fire assay or LeachWell assay (with tail assay), and which used much larger sample mass (1kg) for each of those methods, showed much better precision in comparison. Laboratory duplicates (50g fire assay) showed the effects of the nuggety gold at Bibra also, with poor precision seen in paired data plots. Screen fire assay data has shown that the sieved fraction below 75µm shows dramatically improved precision and that the fraction with the

Criteria	JORC Code explanation	Commentary
		+75µm particles is causing the repeatability issue.
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.*	In the 2015 & 2016 drilling 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. For samples prior to 2015 only single fire assay determination occurred on each sample. The samples from 2015 & 2016 drilling were determined for gold, Pt, Pd and additional elements/base metals, using ICP optical emission spectrometry and ICP mass spectrometry. Samples prior to 2016, were analysed using AAS. 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. Twin holes from the different drilling programs showed that over an intercept, the grades and lengths of mineralisation compared well, whereas at the individual assay level the results are highly variable
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. Analysis of the RC/diamond hole twinning up, showed that mineralised intervals above a cut-off grade of 0.3g/t Au were similar in length and moderately well correlated in grade. This suggests there has not been any significant downhole smearing in the RC drilling and sampling. It also shows that averaging of numerous assays over an interval gives repeatable results compared with poor repeatability at the individual assay level, as described

Criteria	JORC Code explanation	Commentary
		above. From time to time assays will be repeated if they fail company QAQC protocols, however no adjustments are made to assay data once accepted into the database.
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.*	2015 - 2016 drillhole collar positions were surveyed by Survey group out of Port Hedland WA and Osbourne Park, WA. 2009 - 2012 drillhole collar positions were surveyed by licensed surveyors MHR Surveyors of Cottesloe, WA. The instrument used was a Trimble R8 GNSS RTK GPS (differential) system. Expected relative accuracies from the GPS base station were ±2cm in the horizontal and ±5cm in the vertical direction. Co-ordinates were surveyed in the MGA94 grid system Downhole surveys in 2009 & 2010 were carried out by the drillers at about 50m intervals using a Reflex EZ shot digital downhole camera. Readings were taken in a non-magnetic stainless-steel rod near the bottom of the drill string. The depth, dip, azimuth and magnetic field were recorded at each survey point. In 2009 gyro surveys were attempted however most holes had collapsed and the gyro survey was successful to end of hole in only one drillhole. The top parts of other holes were surveyed using the gyro instrument (Downhole Surveys Australia, readings at 5m intervals) and given priority over Reflex surveys in the database. The gyro survey was not continued in 2010 due to the limited success of the 2009 program. Downhole survey readings have been checked by extracting the drillholes and displaying them in graphics in the Surpac software program, with spurious readings removed by assigning

Criteria	JORC Code explanation	Commentary
		them a lesser priority in the database. The lesser priority surveys were not used during the resource estimation. Drillholes KBRC101-105;107-123;125129;131-134 had only one survey downhole (near the bottom of the hole) due to their short lengths (<112m long). In the 2015 & 2016 drill program the Downhole surveys were collected by driller operated in-rod reflex north seeking gyro at the end of each hole. The measurements were taken every 10 to 30 metres. Drillhole location data were initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work. Drillhole location data were initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work. The MGA94 ties to local grid were surveyed by independent surveyors MHR Surveyors. An elevation adjustment of +2000m was also conducted on the local grid co-ordinates The natural surface topography was modelled using a DTM generated from the 2012 airborne LiDAR survey conducted in November 2012 by AAM Pty Limited. The DTM was rotated in-house to the local grid coordinate system. Horizontal point accuracy is expected to be <0.33m and vertical accuracy to 0.15m. Ground control was established using RTK GPS and ALTM3100 Static GPS. The reference datum was GDA94 and the projection was MGA Zone 50, with the data supplied as 50cm and 1m contours in MGA Zone 51. Topographic control is of good quality and is considered adequate for resource estimation
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.*	No exploration results have been reported Drilling is being completed on a 50x50m and 25m x 25m and 25m x 50m grid. Drill spacing is sufficient for current resource classification Samples collected and analysed for each metre down the hole. Whole hole is analysed.

Criteria	JORC Code explanation	Commentary
		Samples were collected in 1 metre intervals.
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. Prior to commencement of the 2016 drill program a meeting of industry specialists was held to discuss the sampling and analytical techniques to get consensus and or improvements on the drilling and sampling protocol. Prior to 2016, a review of practices documented in the IGO technical report supplied to Optiro Pty Ltd in 2012 as part of the resource estimate review did not highlight any significant issues.

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*	The Bibra deposit is located in M52/1070 held by Greenmount Resources a wholly owned subsidiary of Capricorn Metals. M52/1070 is within the granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. South32 retain a 2% NSR and a claw-back provision whereby South32 can

Criteria	JORC Code explanation	Commentary
	known impediments to obtaining a licence to operate in the area.	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 E52/1711. There is no known heritage or environmental impediments over the lease. A mining lease M52/1070 sufficient in size to cover the Bibra resource area and potential associated infrastructure for a future mining operation has been granted, and Capricorn has negotiated a Land Access Agreement with the Nyiyaparli group over this this and all other Company tenure in this region. 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 Resources 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*	No exploration results have been reported

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
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.*	In the drilling from 2016, in the ore zone four separate fire assays were completed for each 1m sample to reduce the nugget effect. The four assays were then averaged to calculate the final assay grade. In the drilling prior to 2016, single fire assays were completed on each sample.
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	• *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*	Systematic metallurgical testwork programs over 2012 to 2016 on master and variability composites from diamond core identifies mineralisation as free milling and amenable to cyanidation

Criteria	JORC Code explanation	Commentary
exploration data	*treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
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.*	Grade control programs have been designed to further infill the indicated material to the next level of classification. Further drilling is planned in the areas of inferred material to move it into indicated.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Data from the latest drilling was collected in the field by geologists and field assistants using Micromine's Field Marshall program with in-built Validation. Once hole information was finalised on site the information was emailed to the Database Administrator in Perth to load into Datashed SQL database. Prior to 2014, data are collected by the geologists and field staff in either Excel spreadsheets or acQuire data entry objects on laptops for RC and diamond drilling and loaded into SQL acQuire software. Prior to completing the latest drill program, the inherited validated data from IGO was imported into a Datashed SQL database by Maxwell Geoscience. Analytical data was received from the laboratories in electronic ASCII files of varying format, and were merged with sampling data already present in the database.

Criteria	JORC Code explanation	Commentary
		Assays received from laboratories were imported by the Database Administrator into the database. Any data files which did not validate were investigated and rectified by field staff or Database Administrator
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Site visits by the Competent Person were conducted during the 2015 & 2016 programs, during the drilling program. While the competent person was on site they scrutinized the method of RC sample capture and sampling, site set up, adherence to sampling and geological logging protocols, housekeeping and QAQC.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation* • *The factors affecting continuity both of grade and geology.*	Confidence in the geological interpretation is good. Stratigraphy is consistent and can be correlated between holes and along strike. Geological logging and structural measurements from drillholes have been used to construct the geological model and northern fault. Sections were interpreted, digitised and a 3D wireframe model constructed. Geological continuity has been assumed along strike and down-dip. The geological interpretation is robust. The geological model was built by on the ground geologist who logged and relogged and interpreted the geology to ensure the geological interpretation was consistent. With the current drill spacing it is unlikely that an alternative interpretation will develop. There is currently sufficient drilling to map the stratigraphic units and the supergene zone. The geological model has been used to guide mineralisation envelopes and subsequent mineralisation wireframe modelling. Geological continuity has been assumed along strike and down-dip based on reasonably the drilling data. In general, continuity both geologically and grade-wise within a 0.3ppm shell is good. Grades and thickness are more consistent down-dip than along strike.

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Bibra mineralisation wireframes have been projected down-dip based on wider spaced drilling intercepts; however, this extrapolation has been removed from the resource estimate by limiting the reported tonnes and grade to within a conceptual optimal pit shell ($1750/oz Au). The supergene zone modelled was 900m along strike and 230m wide in the NE widening to 560m in the southern half. It ranges from 1.7m to 14m in vertical thickness. The primary mineralisation extends below the supergene zone for a further vertical depth of 270m. The transition/fresh rock boundary is about 60m below surface. The primary mineralisation has 4 main sub-parallel zones and several smaller zones. The main zone is 900m long (N-S) and 980m wide (horizontal width) at its widest part in the north, tapering to 300m wide (horizontal width) at the southern end. Note that only a portion of this mineralisation has been classified as resource (i.e. that portion within the region defined by the 50m x 50m spaced drilling or closer, and within the conceptual optimal pit shell). The thickness of the main primary mineralisation zone ranges from 1.7m vertical thickness to 30m in the thickest part.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.*	Higher grade wireframe domains were built for mineralisation above 1.0g/t Au in the main zones in order to constrain the higher-grade portions of the mineralisation. Variography was completed in Snowden's Visor geostatistical program 8.6.1. Block size, Search ellipses and discretisation and minimum and maximum samples were all determined using the variogram through a QKNA process in Visor The block dimensions were 12.5mY, 5mX and 5mZ for parent cells, sub-blocked to 3.125mY, 1.25mX and 1.25mZ.

Criteria	JORC Code explanation	Commentary
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Ordinary Kriging was used for grade estimation utilising Surpac software v6.6.2. Grade estimation was constrained to blocks within each of the mineralisation wireframes. The major direction search distance in the supergene mineralisation was 50m. In the primary mineralisation the major search distance was 50m for pass 1 and 100m for pass 2 and 200m for the 3 passes. The search direction for the main zones of mineralisation was -20->290°. The main search direction of the super gene was 000->305°. These search directions were developed from variographic and geological analysis. The maximum number of samples used for grade interpolation was 36 with a min 6 for the first pass, reducing to a minimum of 6 samples for the second pass and 3 sample for the third pass. For the minimum number of drill holes for each block to estimate, the parameters were set to a minimum of 3 for the first pass, minimum of 3 for the second pass and minimum of 3 for the third pass. No mining has occurred at Bibra. No assumptions have been made regarding by-products No deleterious elements are known or expected. Anisotropic searches were employed and were based on variography. Only Au has been modelled. The geological interpretation was used to control mineralisation modelling and to assign densities to rock-types. Top-cuts were established after a study of statistics, histograms and log-probability plots for the main domains. Domains which had CV's above 2 were top cut, unit the CV for the domain was below a CV of 2, 11 samples were cut.

Criteria	JORC Code explanation	Commentary
		The block model is checked visually in Surpac and Micromine by comparing drillhole assays with block grades. Swath plots are generated to compare block grades with sample composite grades on a sectional and plan slice basis.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages have been estimated on a dry basis. Core samples in the oxide zone have been measured for density after drying and coating at an independent laboratory and downhole gamma used in the 2016 program. 2012 density samples in the Transition and fresh rock samples have been tested uncoated on site after sun-drying, and added to the database of samples tested by the independent laboratory. New measurements in 2012 confirmed earlier density measurements for rocktype and oxidation. 2016 bulk density samples in the oxide, transitional and fresh material were measured at Intertek laboratories in Perth.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The mineralisation has been wireframe modelled using a 0.3g/t Au assay cut-off grade. The resource estimate has been reported above a block grade of 0.5g/t Au.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Currently a medium-sized contractor-operated open-pit mining option is the basis for the cut-off grade. Ore and waste would be paddock blast on 5m benches and subsequently excavated as 2.5m flitches utilising a conventional excavator and truck mining fleet to facilitate moderate ore excavation selectivity. Internal dilution to 2m has been included and external dilution has been applied to the estimate by re-blocking to a selective mining unit (smu) of 6.25 m x 5 m x 2.5 m.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the*	Systematic metallurgical testwork programs over 2012/13 were completed by IGO on master and variability composites from diamond core identifies mineralisation as free milling and amenable to cyanidation. Adoption of a conventional gravity and carbon in-leach

Criteria	JORC Code explanation	Commentary
	assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	process circuit design is likely to yield gold recoveries in the low 90%'s for both fresh and oxide material. The leach rates improved considerably in the Feasibility Study testwork with the addition of gravity recovery to the flowsheet, with the gravity gold component being measured at between 34-53% for the Fresh mineralisation and 19-62% for the oxide mineralisation. Physical testwork indicates bond work indices of 13kWh/t to 20KWh/t and low to moderate abrasion indices.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Waste rock from open pit operations would be placed in a waste rock landform adjacent to open pit operations, progressively contoured and revegetated throughout mine life. Process plant residue would be disposed of in a circular Integrated Waste Landform (IWL), within that waste rock facility. Water recovery will be pumped from a central rock ring structure within the IWL to supplement process water requirements. It has been demonstrated that sufficient volumes of oxide material, able to be made sufficiently impermeable, will be available in the waste rock material stream to enable acceptable IWL construction.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Densities were based on measured densities sorted by rock type and oxidation state. Outliers were removed and remaining measurements were averaged for each rock type and oxidation state domain. In 2016 drill program transitional and fresh samples core samples were analysed by water immersion method by Intertek laboratories. In the 2012 core drilling program, all samples sent for analysis from the transition or fresh rock zones were density measured. Density determination by the water immersion method. Densities measured at the independent laboratory accounted for void spaces and moisture. Densities measured by IGO were in competent

Criteria	JORC Code explanation	Commentary
		core that was sun-dried but uncoated. Natural moisture in the competent core is expected to be low. On-site testing in future will use improved methods and equipment. As noted above, rock type and oxidation state were the main divisors for density measurements and application to the block model Some assumptions have been made on rocktypes away from the classified resource area. Bulk densities in the classified area assigned to the block model are based on measured data
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Inferred and Indicated classification reflects the relative confidence in the estimate, the confidence in the geological interpretation, the drilling spacing, input data, the assay repeatability and the continuity of the mineralisation. The inferred classification was further constrained to a $1750/oz AUD conceptual optimal pit shell. The remainder of the modelled mineralisation does not form part of the current resource estimate. The conceptual optimal pit shell has a pit base at 250m below surface The classification as Inferred reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	The resource model has been reviewed for fatal flaws internally.
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The confidence level is reflected in the classification of the estimate. Mineralisation modelled but outside the criteria used for classification has been excluded from the estimate. Potential for upgrading the classification exists if closer spaced holes are drilled in the inferred area, continuity is proven, and RC sampling issues and assay repeatability are addressed. The Mineral Resource estimate is an undiluted global estimate. There is no production data to compare the resource estimate with, as

Criteria	JORC Code explanation	Commentary
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Bibra has not been mined.

Section 4: Estimation and Reporting of Ore Reserves

The Company has relied upon its previously reported information, in respect of the matters related to sections 1, 2 and 3.
(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code (2012) explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Mineral Resource estimate for the Bibra deposit which formed the basis of this Ore Reserve estimate was compiled by the Capricorn Competent Persons utilising relevant data. The estimate is based on 880 Reverse Circulation (RC) holes and 77 diamond holes of exploration drilling and assay data. The data set, geological interpretation and model was validated using Capricorn's internal and Quality Assurance and Quality Control (QAQC) processes and reviewed by an independent external consultant. Ordinary Kriging was utilised to estimate the resource. The individual block size for estimation was 5 m x 12.5 m x 5 mRL., with sub-blocking at 1.25m x 3.125m x 1.25m for effective boundary definition. The Mineral Resources are reported inclusive of the Ore Reserve.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	The Competent Person did not conduct a site visit. This because: ▪ He is already familiar with the region ▪ Due to the presence of transported cover, there are no outcrops, mine workings or infrastructure to inspect on the ground.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The Ore Reserve estimate is the result of a Feasibility Study (FS) completed by a team consisting of Capricorn personnel and independent external consultants. That study is complete except for some non-material components, with all major capital and operating costs finalised to within the tolerances expected in a FS. The proposed mine plan is technically achievable. All technical proposals made for the operational phase involve the application of conventional technology which is widely utilised in Western Australia. Financial modelling completed as part of the FS shows that the project is economically viable under current assumptions.

Criteria	JORC Code (2012) explanation	Commentary
		Material Modifying Factors (mining, processing, infrastructure, environmental, social and commercial) have been considered during the Ore Reserve estimation process.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	Variable economic cut-off grades have been applied in estimating the Ore Reserve. Cut-off grade is calculated in consideration of the following parameters: ▪ Gold price ▪ Operating costs including ore costs (eg grade control, ROM re-handle) ▪ Process recovery ▪ Transport and refining costs ▪ General and administrative cost ▪ Royalty costs. Cutoff grades are 0.47g/t Au Laterite, 0.40 g/t Oxide. 0.44g/t Transitional, 0.47g/t Fresh
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	The Bibra deposit will be mined by open pit mining methods utilising conventional mining equipment. Final pit and interim stage designs were completed as part of the FS. The final pit design is the basis of the Ore Reserve estimate. The selected mining method, design and extraction sequence are tailored to suit orebody characteristics, minimise dilution and ore loss, defer waste movement and capital expenditure, utilise proposed process plant capacity and expedite free cash generation in a safe manner. Project capital costs were estimated as part of the FS, and mining operating costs obtained from contractor budget quotes.

Criteria	JORC Code (2012) explanation	Commentary
	The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.	Geotechnical modelling has been completed by an external consultant on the basis of field logging and laboratory testing of selected dedicated diamond drill core samples from 16 geotechnical diamond drillholes. The recommended geotechnical design parameters assume dry slopes on the basis of adequate dewatering and/or depressurisation ahead of mining. The low-angle dip of the deposit (28^{o} to West) allows for a designed overall wall angle on the Footwall (Eastern side of pit) between ramps of 25^{o}. The western wall (Hanging Wall) of the pit is designed to have an overall slope of 47^{o}, however a decision on that final wall angle will not need to be made until at least 3 years into the mining operation, and following expected learnings from interim wall performance. A separate hydrogeological report was prepared by independent consultants which considered the infrastructure required to effectively dewater the open pit and pit slopes. This study was supported by the development of test bores and field test pumping analysis.
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used.	Only open pit mining has been considered in the Resource and Reserve studies. Mining dilution and recovery modifying factors were simulated by modelling to a Selective Mining Unit 5mX; 6.25mY; 2.5mZ (SMU) which attempts to simulate the capability of the mining method. The re-blocking technique dilutes fully into the SMU size and the resultant model is then used as a diluted model. The addition of dilution results in a loss of tonnes due to the number of blocks being diluted to below the reporting cut-off grade resulting in a 11% reduction in tonnes, a 2% reduction in in-situ grade and a 13% reduction in contained metal.

Criteria	JORC Code (2012) explanation	Commentary
Mining factors or assumptions	The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	The mining schedule is based on supplying variable throughput rates to a processing plant with a name plate capacity of 3.7 Mtpa for Oxide material and 3.0 Mtpa of Fresh material. The mining schedule is based on realistic mining productivity and equipment utilisation estimates and also considered the vertical rate of mining development. No Inferred Mineral Resources were used in Ore Reserve calculations, and no Inferred resources are present inside the designed Reserves open pit.
	The infrastructure requirements of the selected mining methods.	The proposed mine plan includes waste rock dumps, a ROM pad, a surface water diversion channel, surface dewatering bores, light and heavy vehicle workshop facilities, explosives storage and supply facilities and technical services and administration facilities.
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	A processing flowsheet, materials balance, water balance, equipment identification, mechanical and electrical layouts were all developed to FS standard. A single stage primary jaw crush, Semi Autogenous Grinding and, after Year 2 of operations, Ball Milling (SAB) comminution circuit followed by a conventional gravity and carbon in leach (CIL) process is proposed. This process is considered appropriate for the Bibra ore, which is classified as free-milling. The proposed metallurgical process is commonly used in the Australian and international gold mining industry and is considered to be well-tested and proven technology. Significant comminution, extraction, and physical properties testing has been carried out on approximately 2,000kg of half-HQ and NQ diamond drilling core samples from 24 drillholes, and 300kg of RC chip samples. This has been carried out on laterite, oxide, saprock, transitional, and fresh ore types which were obtained across the Bibra deposit and to a depth of approximately 200m. Estimated plant gold recovery ranges from 91.8% to 94.1% depending on grind size and ore type. Significant

Criteria	JORC Code (2012) explanation	Commentary
		comminution, extraction, and physical properties testing has been carried out on material selected from approximately 2,000kg of half-NQ core. No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Baseline environmental studies and Level 1 and Level 2 studies of flora, vegetation, vertebrate fauna, short-range endemic invertebrates and subterranean fauna are all completed. Environmental approvals for the mining and water supply aspects of the project will be assessed by the Department of Mines and Petroleum WA (DMP). Clearing permits are expected to be applied for under part V of the Environmental Protection Act, and to require a Native Vegetation Clearing Permit. The approvals document to the DMP will be submitted in Q3 2017. Waste rock and tailings characterisation work has been completed and all waste types and tailings are non- acid forming and have limited metal leachate potential. Waste rock and tailings storage locations have been selected based on suitable geographical characteristics and proximity to the pit and plant.

Criteria	JORC Code (2012) explanation	Commentary
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	The project site is within economic distances of existing infrastructure in the east Pilbara region. Services and consumable supplies will be delivered by existing roads, and a new 33km Access Road from the Coobina gazetted road to the Karlawinda Project. Land availability is unlikely to be an issue, with the mining and exploration tenure held by Capricorn more than covering all project needs. The project lies at the northern boundary of the Weeleranna cattle station, with whom the Company enjoys a strong relationship. Tailings disposal is intended to be within an Integrated Waste Landform whereby tailings are encapsulated by mining waste, rather than having separate waste dumps and tailings facilities. The workforce will be Fly In-Fly Out (FIFO) and based at a camp on site during rostered days on. Commercial flights to Newman airport, 55km North of the Project will be used; there will be no on-site airstrip. Pump testing and modelling of the potential yield from the Karlawinda borefield indicate that there is sufficient groundwater to service the needs of the Project for the life-of-mine. This will require the development of 15 water production bores, of which 5 have already been developed, and 20km of pipelines. Miscellaneous licence applications to secure the tenure required for the all infrastructure not covered by Mining Lease are in preparation; Capricorn Exploration Licences already cover all of these intended infrastructure corridors. Power will be generated on site utilising diesel or gas delivered by truck, or power may be transmitted from Newman, requiring a 63km powerline construction.

Criteria	JORC Code (2012) explanation	Commentary
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study	All capital estimates are based on market rates as at the second quarter of 2017. Plant capital costs have been provided by Mintrex PL, who have designed and costed several plants of this type and scale in recent years. It is assumed that all mining equipment required for the project will be supplied by a mining contractor. The capital cost estimate accuracy is -15% /+15%. Mine development costs were developed from a combination of inputs from Capricorn, Cube Consulting (mining), Mintrex (processing), CMW Geosciences (tailings disposal), GRM (groundwater consultants) and Peter O'Brien (geotechnical). The basis of estimate is: ▪ Contract mining ▪ Mobilisation of mining equipment and personnel from Perth ▪ Earthworks quantities determined from detailed site investigations by a geotechnical engineer and geological modelling ▪ Mine dewatering requirements developed from airlift testing and hydrogeological modelling ▪ A mining schedule developed on a quarterly basis ▪ A contingency allowance on capital cost items calculated to reflect the relevant level of confidence in the estimate Processing and infrastructure development capital costs have been estimated by Mintrex engineers on the basis of: ▪ Earthworks quantities determined from detailed site inspections by a geotechnical engineer ▪ Concrete and structural quantities developed from site layouts and similar designs from other projects ▪ A mechanical equipment list developed from the recommended process design criteria ▪ Budget pricing from local and international suppliers ▪ Contingency allowances calculated on a line by line basis relevant to the source and confidence in market rates

<table>
<tr><th>Criteria</th><th>JORC Code (2012) explanation</th><th>Commentary</th></tr>
<tr><td>Costs</td><td>The methodology used to estimate operating costs.</td><td>The operating cost estimate accuracy is -15% /+15%.
Operating costs assume a FIFO scenario with various rosters on site.
Mining operating costs have been estimated by Capricorn personnel/consultants on the basis of scheduled material movement and budget mining rates for a contractor mining scenario. Mine design and scheduling was prepared by mining engineers from Cube Consulting.

Process and infrastructure operating costs have been estimated by Mintrex on the assumption that:
A conventional SAB circuit will be utilised to treat ore at a rate of 3.0 Mtpa for fresh ore with the capability to treat up to 3.7 Mtpa of oxide material. The Ball mill will be needed for fresh rock treatment from the end of year 2.
Comminution grind sizes will be in the range of 120µm (Fresh rock) to 150µm (Oxide rock).
Power will be generated on site utilising diesel or gas delivered by truck, or power may be transmitted from Newman, requiring a 63km powerline construction.
The process plant will be operated by Capricorn employees.
The operating cost estimate is considered to be appropriate for the current market in Western Australia.</td></tr>
<tr><td></td><td>Allowances made for the content of deleterious elements.</td><td>No allowance is made for deleterious elements since testwork to date on ore from Bibra has not shown the presence of deleterious elements.</td></tr>
<tr><td></td><td>The source of exchange rates used in the study.</td><td>Capital Costs for process plant and infrastructure are estimated in 2017 Australian dollars.
Foreign currency exchange rates were derived as tabled below.<table><tr><th>Currency</th><th>Rate (A$1 = X)</th><th>Source</th></tr><tr><td>United States Dollar</td><td>0.75</td><td>Capricorn</td></tr></table></td></tr>
</table>

Criteria	JORC Code (2012) explanation	Commentary
	The derivation of, or assumptions made, regarding projected capital costs in the study. *Derivation of transportation charges.* The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private.	Transport charges - Gold bullion transportation and refining charges are derived on the basis of a quote provided by a leading Australian Gold Refinery. An allowance has been made for all royalties, including an allowance of 2.5% of revenue for royalties payable to the Western Australian State Government and an allowance for other royalties payable to private parties (these royalties being commercially sensitive and covered by confidentiality).
Revenue factors	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	The mined ore head grades are estimated utilising industry accepted geostatistical techniques with the application of relevant mining modifying factors. Gold price and exchange rates have been determined by an external financial expert group because of current market trends and by peer company comparison. A Life-of-mine (LOM) gold price forecast of A$1,500/oz (Real 2017) is applied in the financial modelling for the Ore Reserve calculation process. This price forecast was established by Capricorn because of historical A$ gold price trends over the last 5 years. Over that review period the price of gold has ranged between A$1,300/oz and A$1,800/oz and averaged approximately A$1,500/oz.
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	There is a transparent market for the sale of gold.

Criteria	JORC Code (2012) explanation	Commentary
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.	The Ore Reserve estimate is based on a Feasibility Study level of accuracy with inputs from the open pit mining, processing, sustaining capital and contingencies scheduled and costed to generate the initial Ore Reserve cost estimate. Cost inputs have been estimated from quotations and/or by competent specialists. The Ore Reserve returns a positive NPV based on the assumed commodity price and the Competent Person is satisfied that the project economics that make up the Ore Reserve retains a suitable profit margin against reasonable future commodity price movements. Sensitivity analysis has indicated that the project drivers are gold prices, metallurgical recoveries followed by operating costs; NPV remains favourable for the sensitivity tests within reasonable ranges
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	A Native Title Access Agreement has been signed for the Project (ASX Announcement 24 Nov 2016). Subsequent to the Native Title Agreement, a Mining Lease was granted over the project area (ASX Announcement 24 Nov 2016). Several additional exploration licences have also been granted which add exploration targets and cover the infrastructure corridors prior to finalisation of miscellaneous licences.

Criteria	JORC Code (2012) explanation	Commentary
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	▪ Flooding risk has been analysed by an independent external expert and deemed to be minimal, with the project located near the top of a small catchment system. ▪ No significant species have been identified that would be significantly impacted by the Project in a manner that could not be adequately managed. ▪ Various contract negotiations have commenced. There are reasonable prospects to anticipate that contract terms as assumed in the Ore Reserves estimate will be achieved. Project commissioning is estimated for 2019.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	The main basis of classification of Ore Reserves is the underlying Mineral Resource classification. All Probable Ore Reserves derive from Indicated Mineral Resources in accordance with JORC Code (2012) guidelines. The results of the Ore Reserve estimate reflect the Competent Person's view of the deposit. No Probable Ore Reserves are derived from Measured Mineral Resources. No inferred Mineral Resource is included in the Ore Reserves.

Criteria	JORC Code (2012) explanation	Commentary
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	The Feasibility Study which forms the basis of the Ore Reserve estimate was subjected to various reviews and audits: ▪ Metallurgical testwork was reviewed by Capricorn's consulting metallurgists and process engineers and confirmed to be adequate for a FS. ▪ Open pit designs, production schedules and mining cost models were reviewed through Cube's internal peer review system and externally by an independent expert consultancy. ▪ The pit designs were further reviewed by the independent geotechnical consultants to confirm the application of the prescribed design parameters ▪ The basis of design for the process plant and infrastructure was reviewed by Capricorn's consulting metallurgists and process engineers and was deemed appropriate for a Feasibility Study.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	The Karlawinda FS resulted in a technically robust and economically viable business case. This is deemed to be an appropriate basis for a high level of confidence in the Ore Reserves estimate. In the opinion of the Competent Person, cost assumptions and modifying factors applied in the process of estimating Ore Reserves are reasonable. Gold price and exchange rate assumptions were set out by Capricorn and are subject to market forces and present an area of uncertainty. In the opinion of the Competent Person, there are reasonable prospects to anticipate that all relevant legal, environmental and social approvals to operate will be granted within the project timeframe.

Criteria	JORC Code (2012) explanation	Commentary
	It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	