



PROPOSED CONSOLIDATION OF CAPITAL

Capricorn Metals Ltd (ASX:CMM) (Capricorn or the Company) wishes to advise that the Board proposes to seek shareholder approval at the Company's Annual General Meeting on 20 November 2019 to consolidate its issued capital through the conversion of every five (5) existing shares into one (1) share.

The Company has a significant number of shares on issue and the Board considers a share consolidation will provide the best platform for continued growth and a capital structure that is more in line with the Company's size and peer group companies. It should also result in a share price level that is more attractive to a wider range of investors and reduce share price volatility as the minimum permissible share price movement permitted by ASX (currently 0.5 cents for CMM) will represent a smaller proportion of the Company's market capitalisation..

The Company currently has 1,623,705,773 shares on issue, which if the consolidation is approved will reduce to approximately 324,741,155 shares. As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of shares (subject only to rounding up of fractions). Accordingly, the consolidation will have no material effect on the percentage interest of each individual shareholder.

While the share consolidation will have no effect on the underlying value of the Company, the effect on the Capricorn share price at the time of the conversion should be to trade at 5 times the price at which it previously traded. The share price will continue to be influenced by other factors.

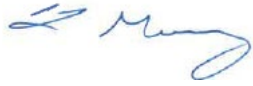
The proposed consolidation of capital will also apply to all unlisted options on issue at the time of the consolidation. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the shares with the exercise price amended in inverse proportion to the consolidation ratio. The expiry dates of the options will not change.

An indicative timetable if the consolidation is approved by shareholders is as follows:

Key Date	Activity
17 October 2019	Share consolidation proposal announced to the market in Notice of Meeting for AGM
20 November 2019	Notification to ASX that consolidation is approved
21 November 2019	Last day for trading in pre-consolidated securities
22 November 2019	Trading in the consolidated securities on a deferred settlement basis commences
25 November 2019	Last day to register transfers on a pre-consolidation basis
26 November 2019	Dispatch of new holding statements

Shareholders are encouraged to review the Explanatory Memorandum in the Notice of Meeting for the AGM which was lodged with the ASX today

Yours sincerely
Capricorn Metals Ltd



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