

AGM  
PRESENTATION  
NOVEMBER 2019



# Disclaimer & Competent Persons Statement

## **CAUTIONARY STATEMENT – FORWARD LOOKING STATEMENTS**

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

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

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

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

The Company has concluded it has a reasonable basis for providing the forward looking statements that relate to the Bibra Feasibility Study that are included in this presentation, the details of this study are outlined in an ASX announcement dated 23 October 2017, which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.

The Company confirms that all material assumptions underpinning the production target and forecast financial information contained in the Company’s ASX announcement released on 23 October 2017 continue to apply and have not materially changed

## **COMPETENT PERSON'S 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 Ore Reserves for Bibra is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald 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. Donald consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

## **LISTING RULE 5.23 DISCLOSURE**

Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcement on Ore Reserves & Mineral Resources dated 29 May 2018 and Metallurgy dated 19 June 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.



# The Opportunity at Karlawinda

1. 2,042km<sup>2</sup> of 100% owned tenure in premier “low risk” mining jurisdiction with proven geological endowment
  - Two large scale gold mineralised systems discovered at Karlawinda to date
2. Impressive Resource & Reserve growth from active exploration programs
  - 1.5Moz Total Mineral Resources <sup>(1)(2)</sup>
  - 892,000oz Open Pit Ore Reserve <sup>(3)(4)</sup>
3. Positive Feasibility Study (Nov 2017) ~100,000oz/pa stand-alone gold project
  - Single large, low strip ratio open pit
  - 3Mtpa CIL Processing Plant
  - 8.5 year mine life
  - Competitive capex and opex
  - Gas power solution available
  - All key permits in place



# Corporate Summary

## Capital Structure (pre-consolidation)\*

ASX Code	CMM
Shares on issue	1,624 million
Unlisted options	91 million
Share price	20 cents
Market Cap	\$325 million
12 month range	5.3 – 27.5 cents
Daily volume	4.8 million
Cash	\$86.8 million



## Major Shareholders

Hawkes Point Holdings	16.8%
Paradise Investment Mgt	8.9%
Board & Executives	8.8%



\* As at 18 November 2019

## Directors and Management

**Mark Clark** – Executive Chairman

**Mark Okeby** – Non Executive Director

**Myles Ertzen** – Non Executive Director

**Kim Massey** – CEO

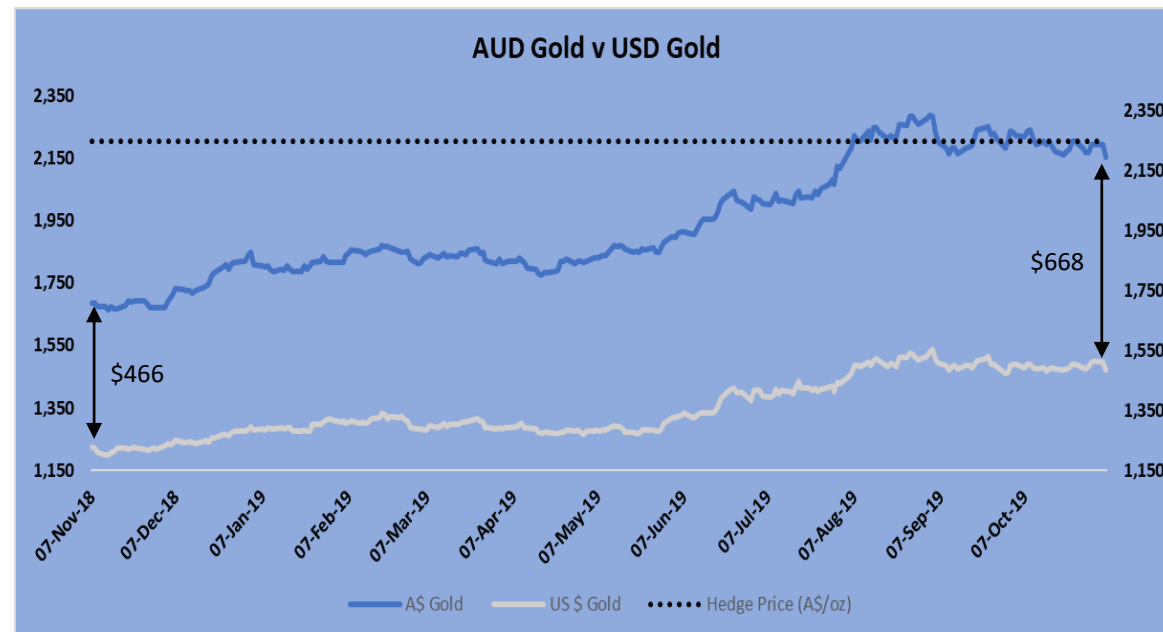
**Paul Thomas** – COO

**Tammie Dixon** – CFO

**Steven Evans** – GM Karlawinda

## What's Changed in 12 months?

	2018*	2019+	
<b>AUD Gold Price</b>	A\$1,686	A\$2,152	(+28%)
<b>USD Gold Price</b>	US\$1,226	US\$1,484	(+21%)
<b>AUD/USD</b>	0.73	0.69	(-5%)
<b>ASX All Ords</b>	6,015	6,816	(+13%)
<b>ASX Gold Index</b>	5,010	6,527	(+30%)
<b>Share Price</b>	6.5 cents	20 cents	(+238%)
<b>Market Cap</b>	\$48m	\$357m	(+644%)
<b>Cash</b>	\$2.7m	\$86.8m	



Further tailwinds for gold:

- *US/China trade war*
- *Brexit*
- *Long-term low interest rate environment*
- *Geopolitical conflict (North Korea, Syria etc.)*

# Gearing Up Towards Development

## **Project development team appointed**

- Well regarded in-house development team appointed with significant experience in constructing CIL plants in Australia, Africa and Asia
- Relocation of camp completed and installation being planned

## **Review of previous management optimisation study underway**

- Optimisation of Reserve and Resource studies
- Review of process flowsheet design and mining schedule
- Finalisation of tender process for major contract awards

## **Pre financing equity raised and hedging completed**

- circa \$87 million cash at bank after completion of share placements
- 200,000 ounces of gold hedging at price of A\$2,249/oz completed with Macquarie Bank.
  - Gold hedging delivery schedule to be finalised
- Finalisation of MBL financing documents underway

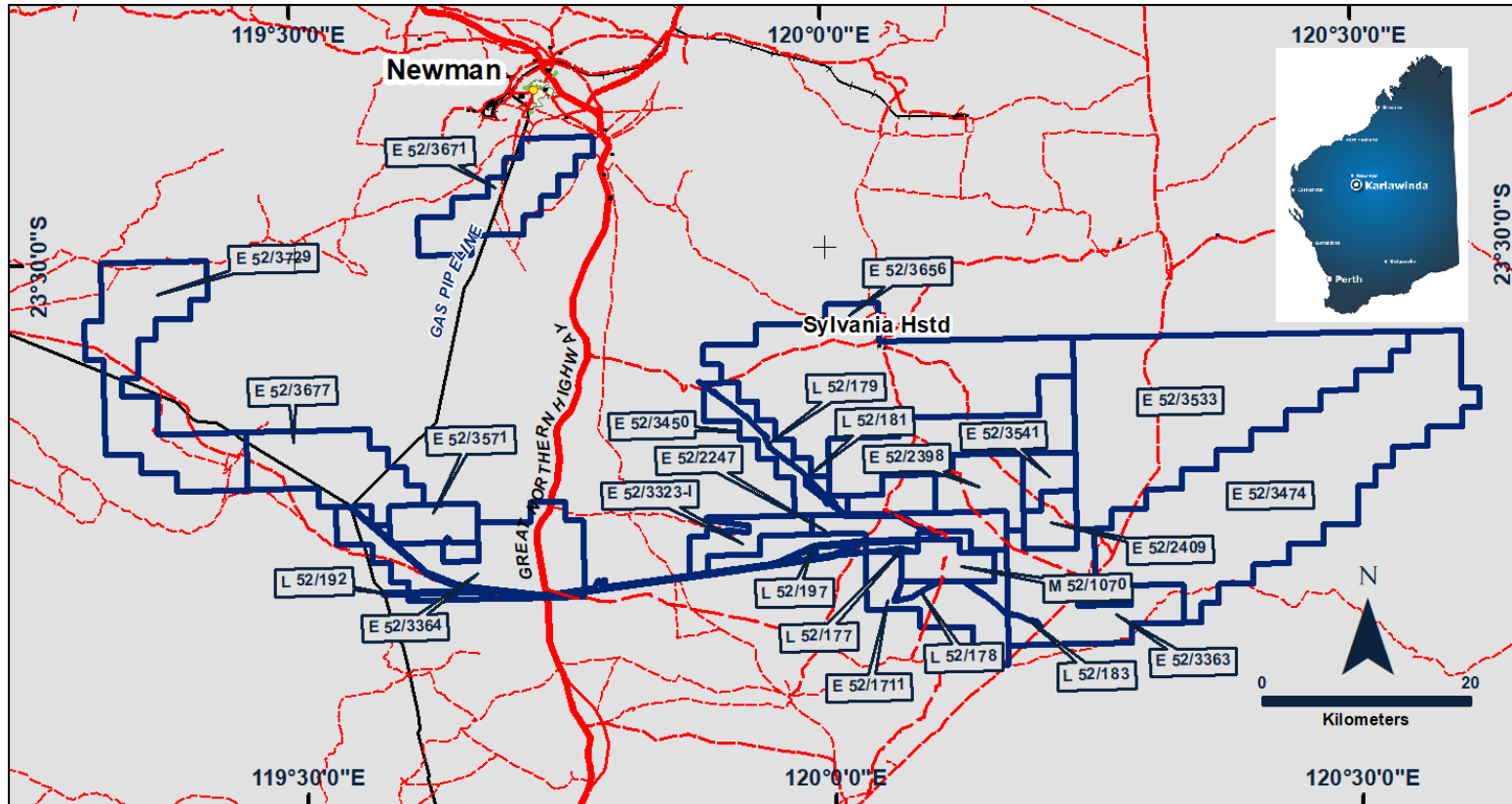


# Gearing Up Towards Development



# Karlawinda, First Class WA Location

*Premier mining jurisdiction*



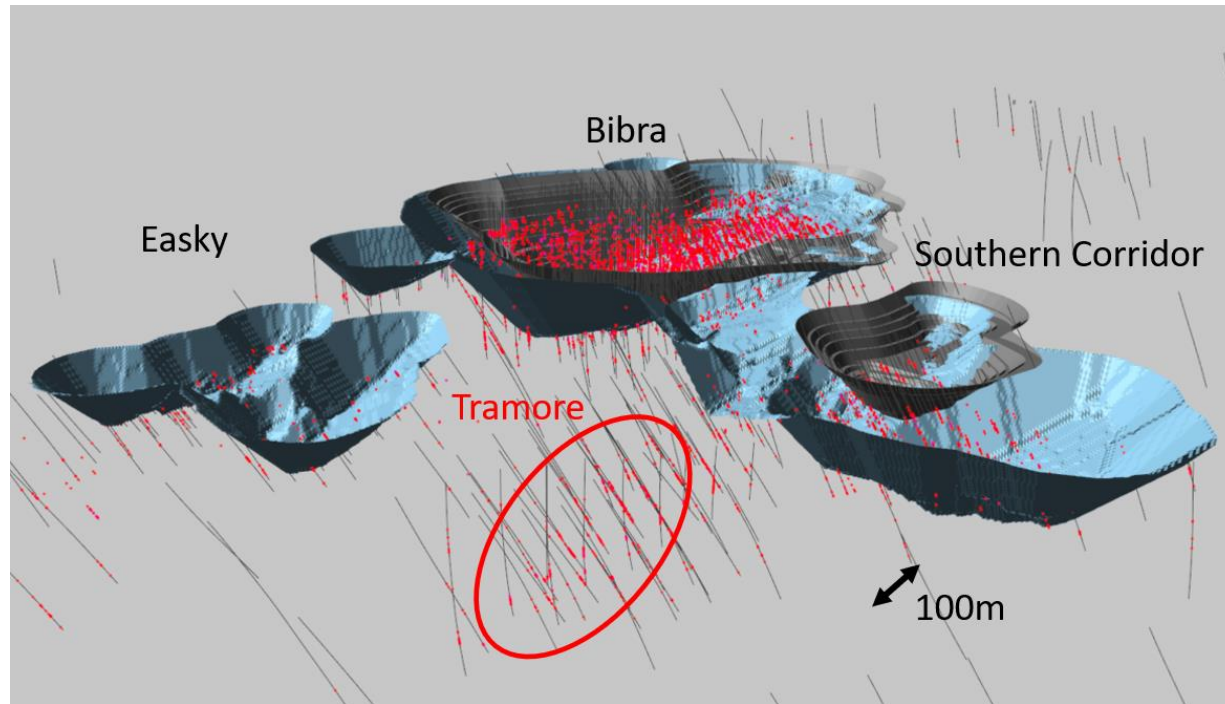
- 60km south east of Newman in Western Australia
- 2,042km<sup>2</sup> of 100% owned exploration and mining tenements
- Road access via the Great Northern Hwy
- Multiple flights per day Perth to Newman
- Mining engineering, suppliers, services



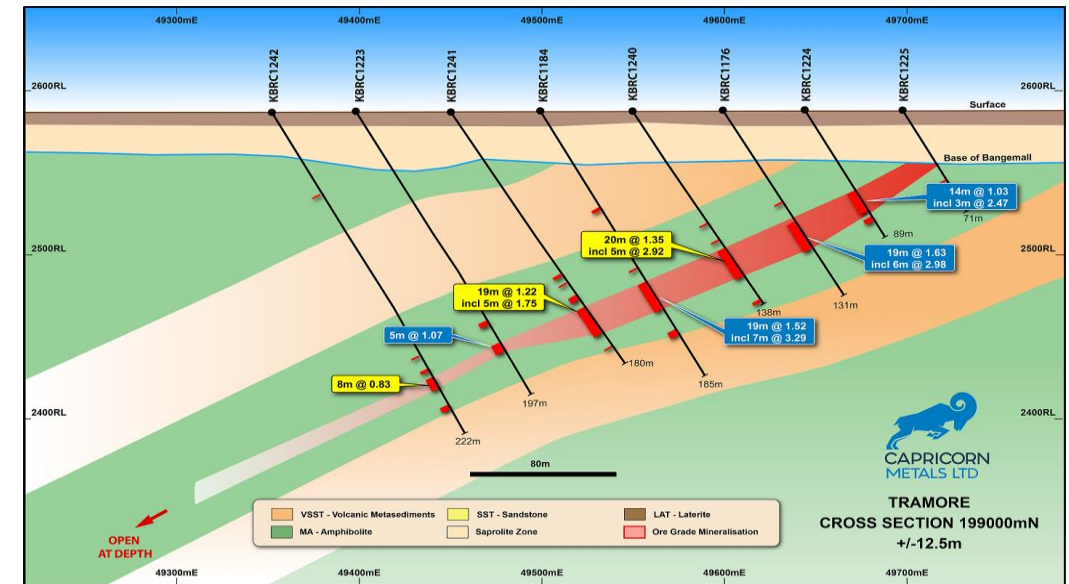


# Bibra Mineral Resource and Ore Reserve Growth

*Continuing exploration yielding further growth*



## Tramore



- Located 350m south of Bibra Pit, most advanced prospect not currently in resource
- Gold mineralisation defined over a strike length of approximately 450m, ranges in thickness between 10m and 20m, dips at approximately 25° and is open at depth
- Key results confirm the mineralisation continuity including:
  - 19m @ 1.51g/t from 119m (KBRC1184)
  - 34m @ 1.07 g/t from 41m (KBRC1164)
  - 19m @ 1.63 g/t from 78m (KBRC1176)
  - 20m @ 1.20g/t Au from 155m (KBRC148)
  - 20m @ 1.35g/t from 97m (KBRC1240)
  - 21m @ 1.01g/t from 156m (KBRC1251)

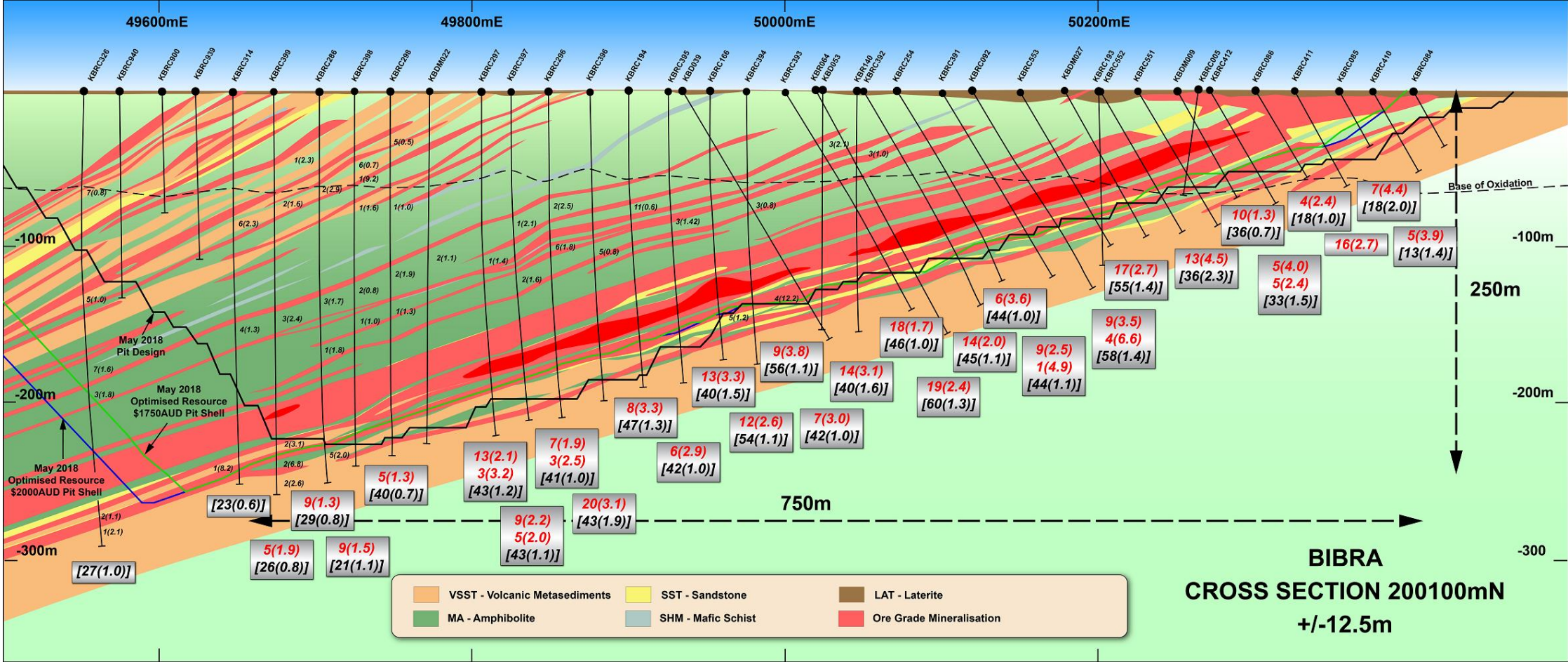
M & I Resources*	<b>44.8Mt @ 1.0 g/t 1,375,000oz</b>	Proved Ore Reserves	<b>9.6Mt @ 1.1 g/t 337,000oz</b>
Inferred Resources	<b>6.2Mt @ 0.7g/t 150,000oz</b>	Probable Ore Reserves	<b>17.9Mt @ 1.0 g/t 555,000oz</b>
Total Resources	<b>51Mt @ 0.9g/t 1,525,000oz</b>	Open Pit Ore Reserve	<b>27.5Mt @ 1.0 g/t 892,000oz</b>



\* Refer to Listing Rule 5.23 Disclosure on page 2.  
 \* Refer to slide 21 for full details of the Mineral Resource.  
 \* Refer to slide 22 for full details of the Ore Reserve.

# Bibra Gold Deposit – 1.5Moz and Growing

*Continuous shoots down plunge – simple leverage to increases in gold price*

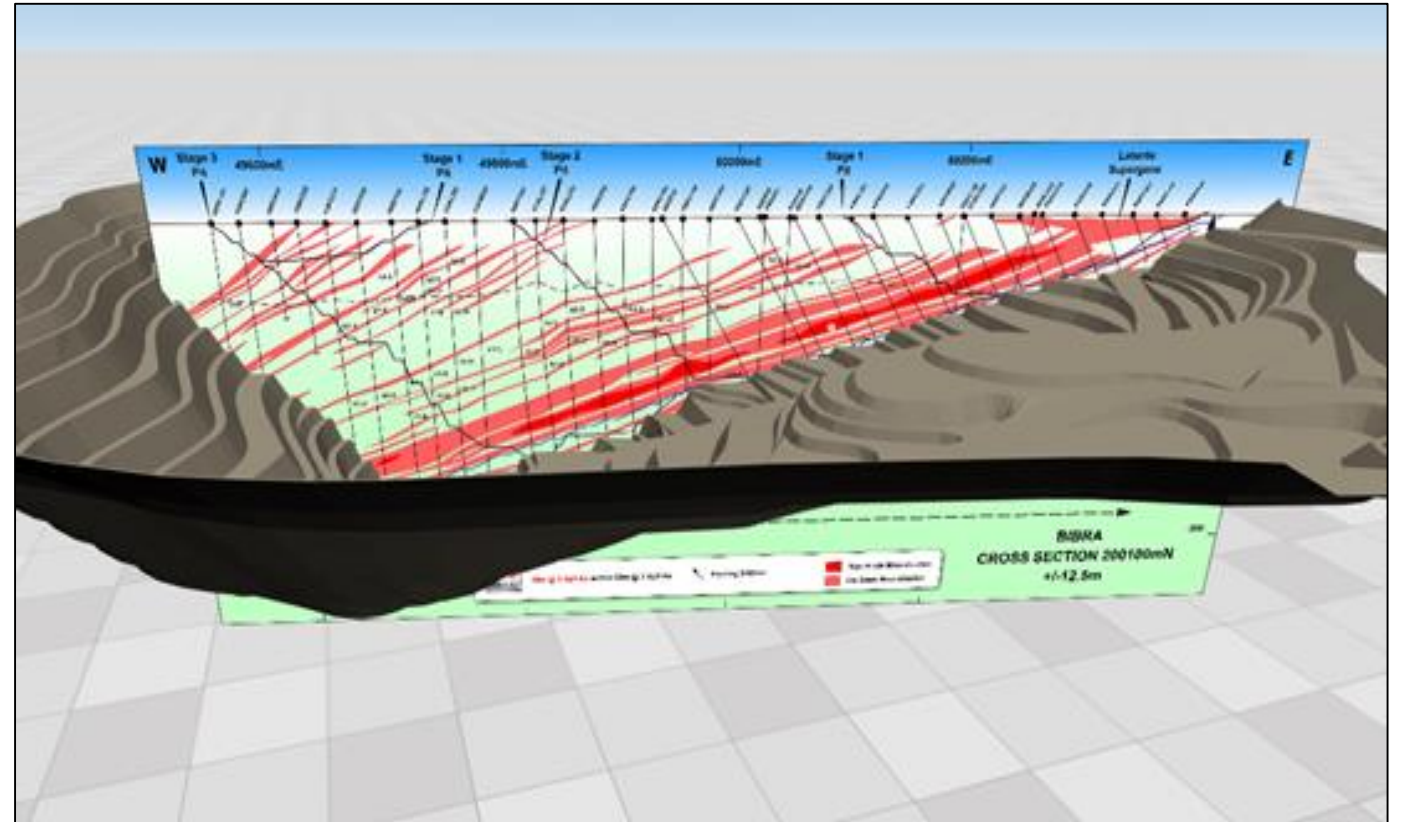
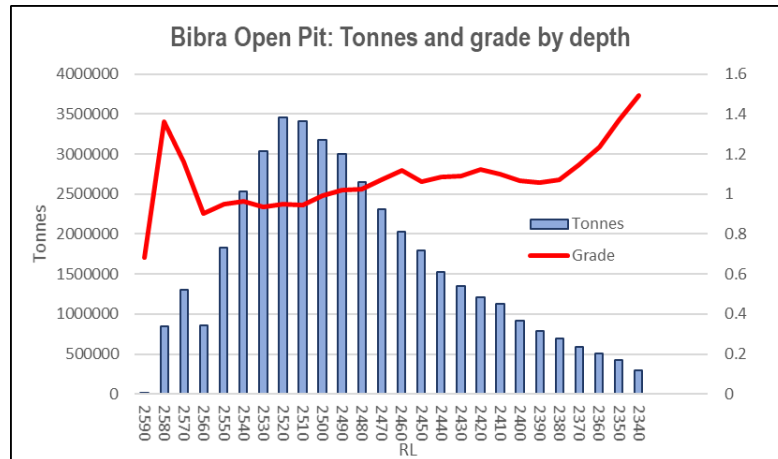


# Open Pit Mining

## *Bibra Deposit - Large tonnage, low strip ratio*

May 2018 open pit design:

- Improved 4-staged design
- Life of Mine strip ratio 4.8:1
- Favourable geotechnical conditions
  - HW overall slope  $\sim 47^\circ$ , FW  $\sim 25^\circ$
- Mining contract tender completed 2018:
  - Review and update
  - Opportunities to optimise?

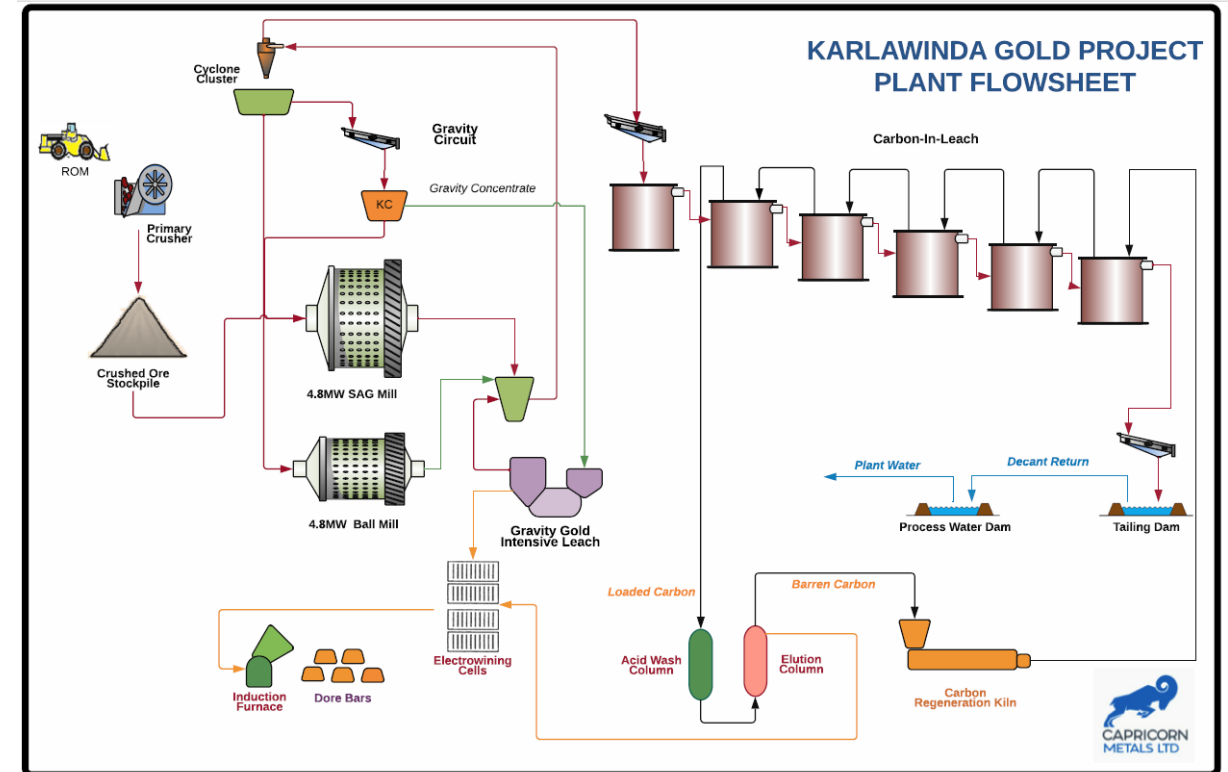


# Metallurgy & Processing

## Conventional processing, high recoveries

- Good metallurgical testwork and results
  - 92.1% LOM recovery, 45% gravity recoveries in primary ore
  - Coarse grind size (P80 150µm oxide and 120µm primary)
  - Low reagent consumptions
- Conventional 3Mtpa CIL circuit
  - 3.7Mtpa throughput during oxide/laterite processing
  - Single stage crushing (reviewing)
  - SAB milling - 4.8MW SAG, 4.8MW Ball (reviewing)
  - Large gravity circuit

**Optimised comminution circuit will reduce operating risk and increase flexibility**



Optimised Flowsheet

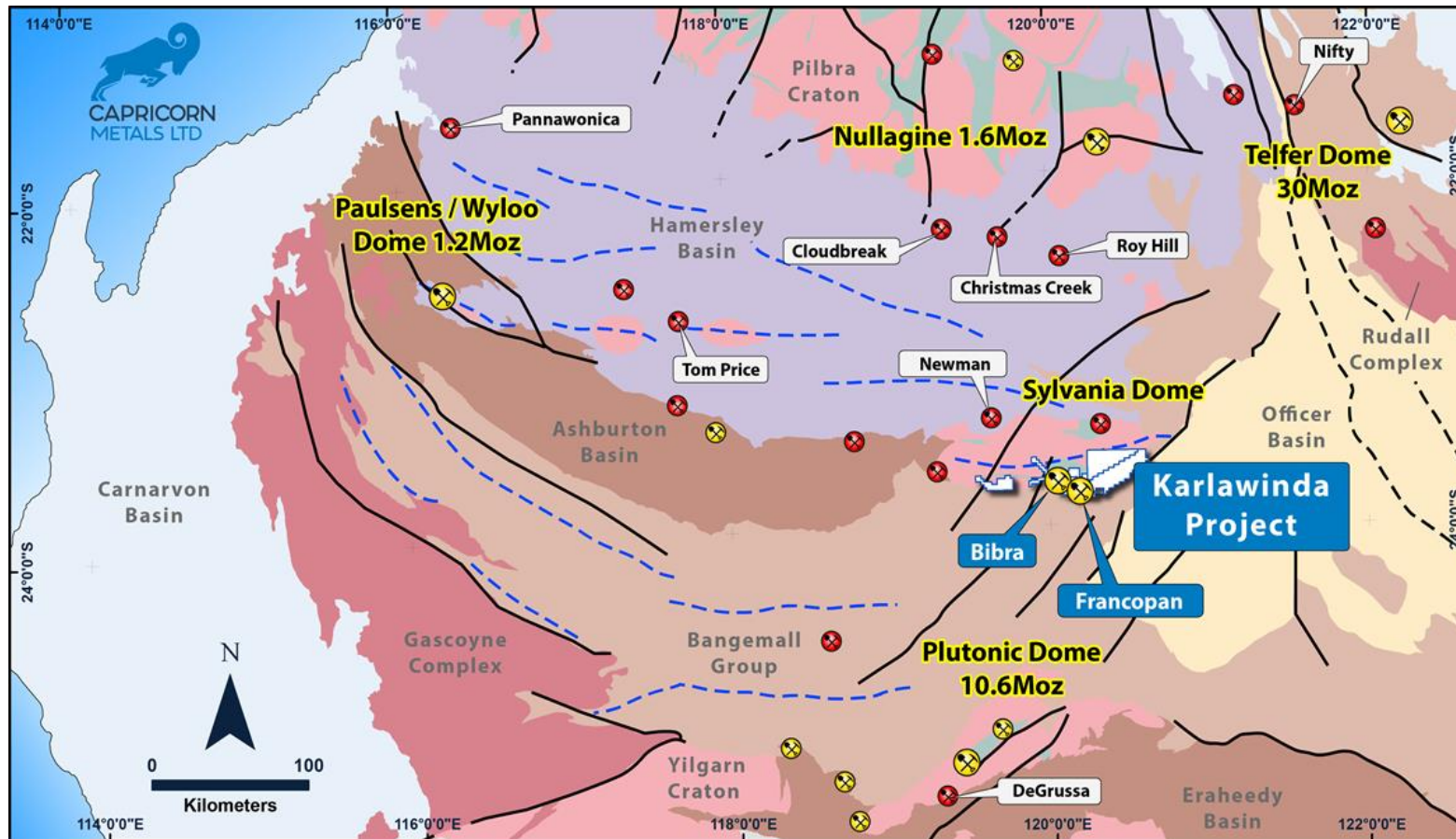
# Capital & Operating Cost Summary

CAPITAL	October 2017 Feasibility Estimates (A\$m)	June 2018 Optimised Estimates (A\$m)
Item		
Processing Plant & Infrastructure (EPC) & Infrastructure (Plant buildings and workshops, borefield)	\$98.7	\$88.1
Other Infrastructure (TSF, accommodation village, access road, communications)	\$33.2	\$36.7
Owners Costs (temporary construction facilities, capital spares, first fills, personnel costs, insurance, establishment costs)	\$14.5	\$7.2
<b>Total Estimated Capital Costs <sup>(1)</sup></b> (Including Contingency)	\$146.3	\$132.0

OPERATING	LOM Cost / Tonne (processed) (A\$/t)	LOM Cost / Ounce (recovered) (A\$/oz)
Item		
Mining (Contract)	\$18.0	\$603.0
Processing & Maintenance	\$11.1	\$373.9
General & Admin.	\$2.5	\$84.0
Realisation Costs	\$0.1	\$3.9
Sustaining Capital (incl. closure costs)	\$0.8	\$26.8
	\$32.5	\$1,091.5
Royalties & Charges	\$2.6	\$86.2
<b>AISC <sup>(1)</sup></b>	<b>\$35.1</b>	<b>\$1,177.8</b>

Review and optimisation underway

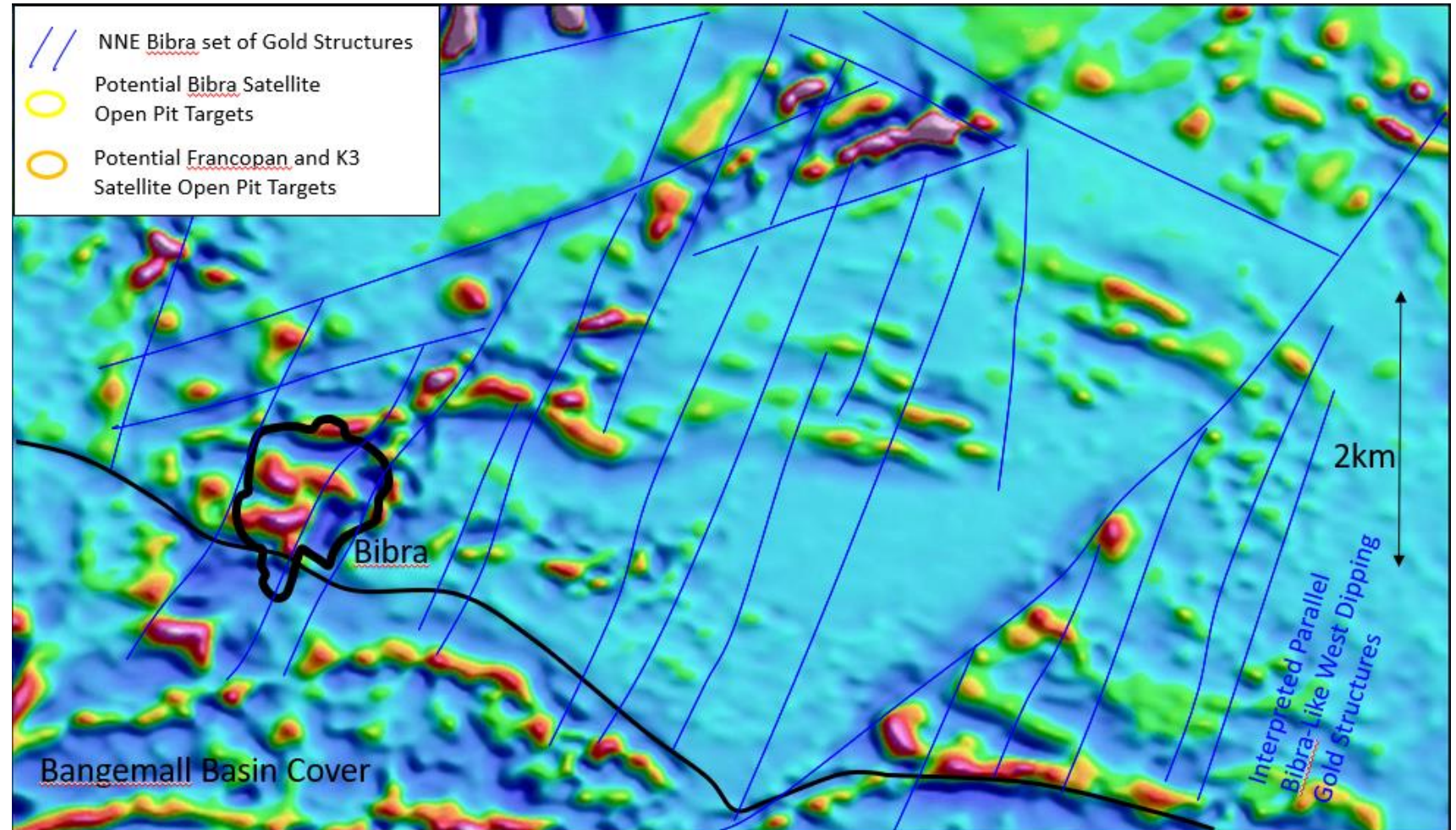
# Karlawinda Gold Project - Unlocking the potential of a new gold camp



- 2,042km<sup>2</sup> of 100% owned exploration and mining tenements
- Enormous exploration potential in under-explored Archaean greenstone belt
- Prioritising regional exploration and near-mine exploration opportunities

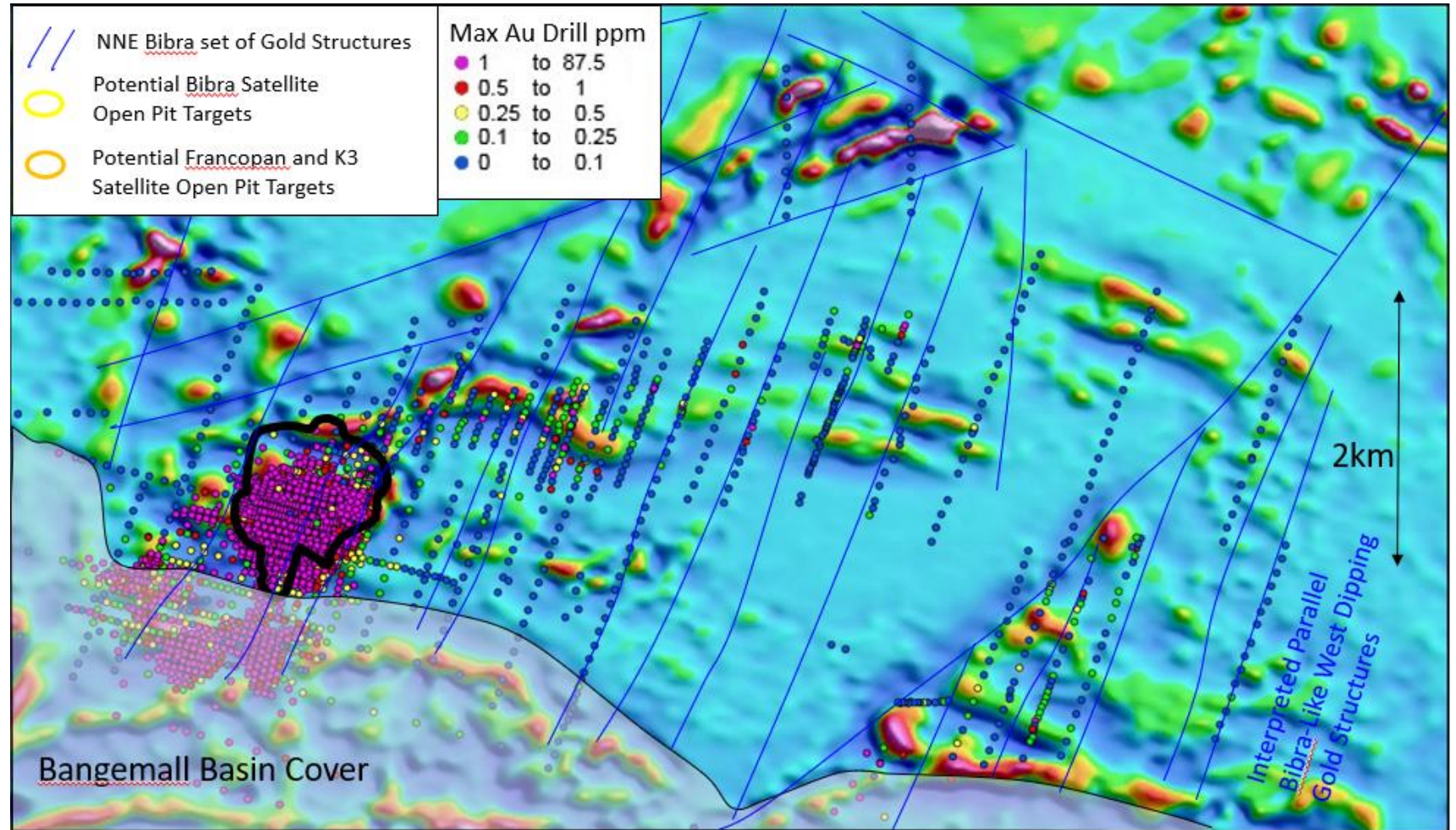
## Karlawinda Gold Project - Near mine exploration potential

- Aeromagnetic survey identified Bibra deposit located on a magnetic high
- Several similar repeat magnetic highs located in close proximity to proposed Bibra pit



# Karlawinda Gold Project – Near mine exploration

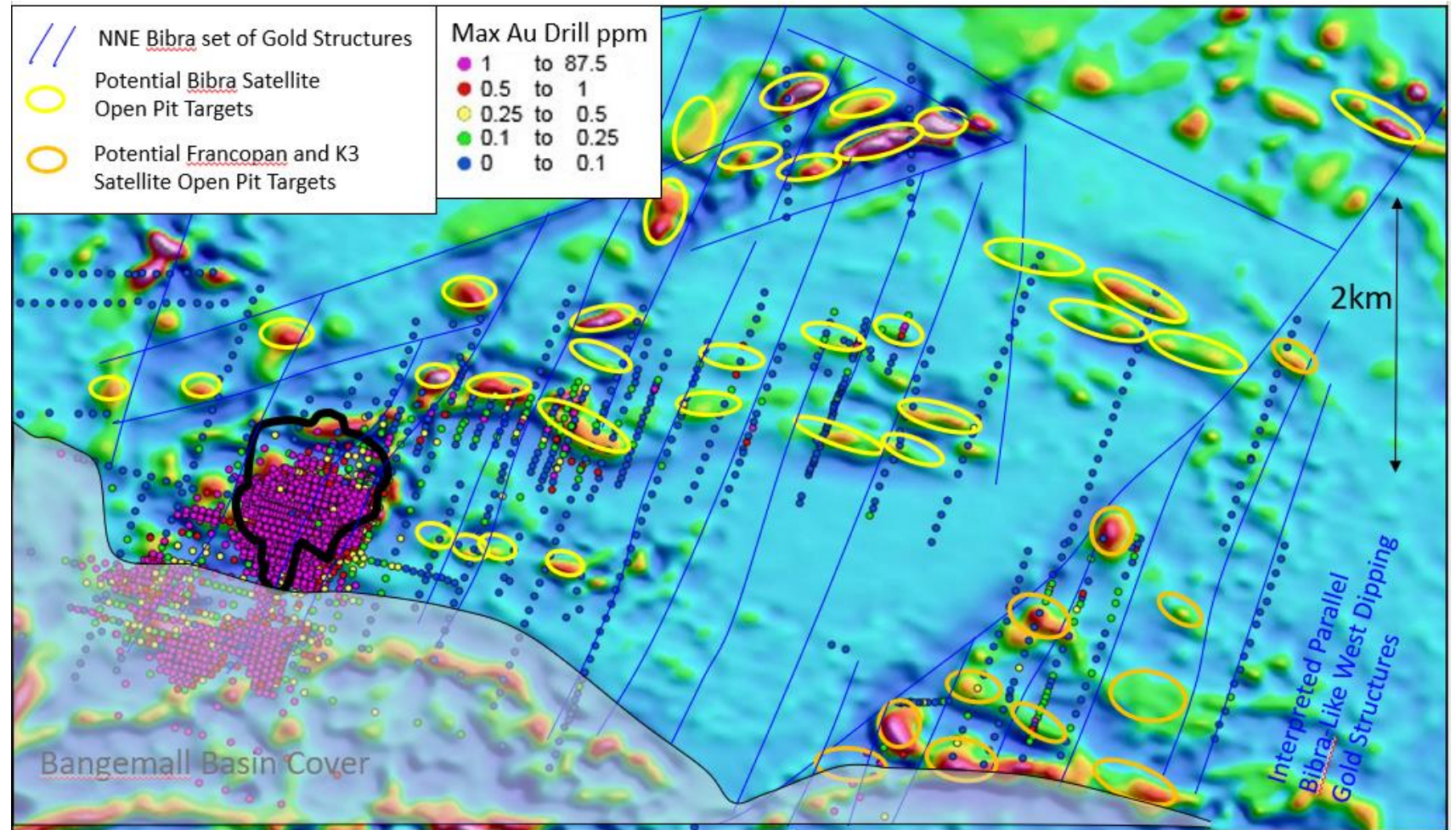
- Bulk of the drilling has been at the Bibra deposit
- Limited to no drilling on other magnetic highs within 8 kilometres of Bibra





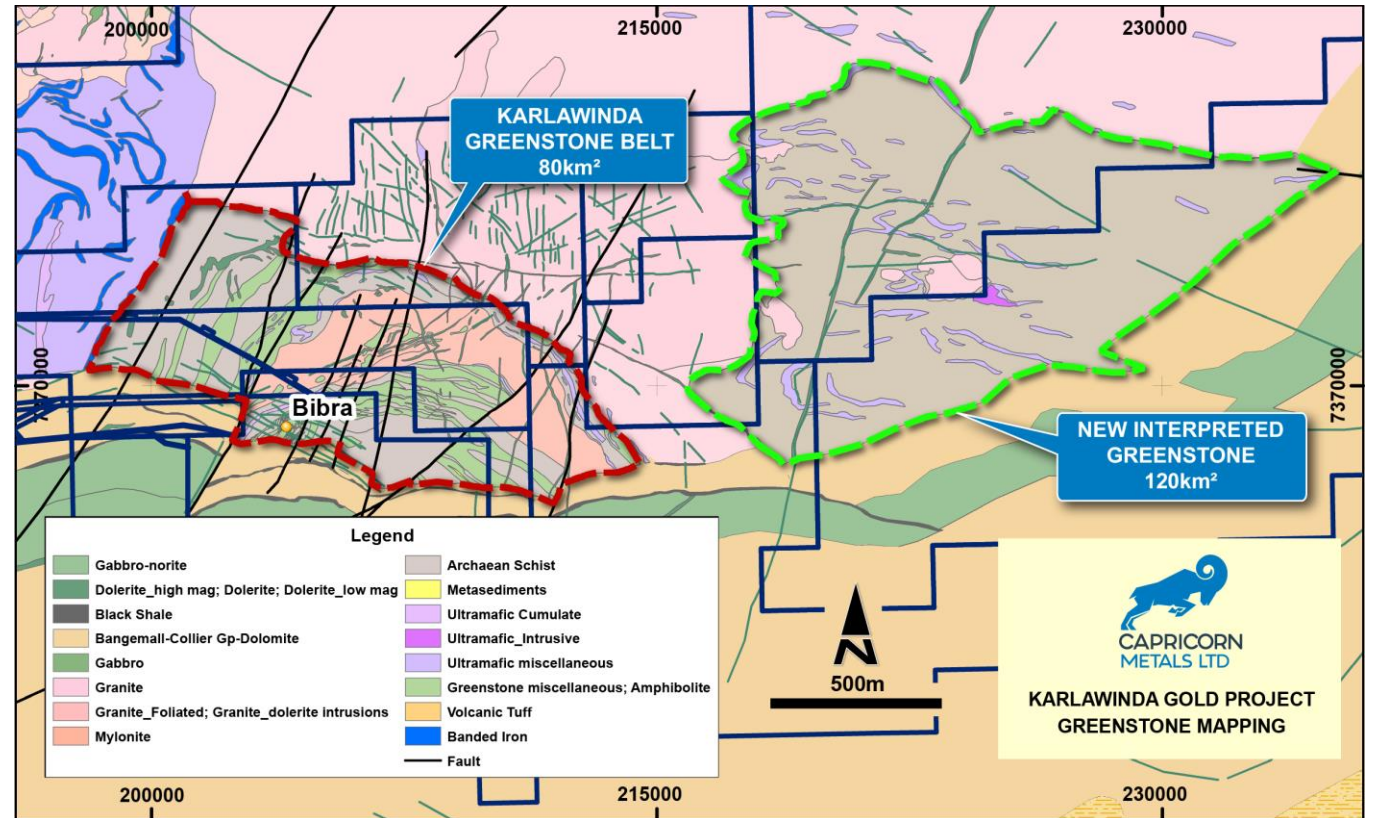
# Karlawinda Gold Project – Near mine exploration

- Number of targets identified
- Aim to prioritise and drill targets in the next 12 months.



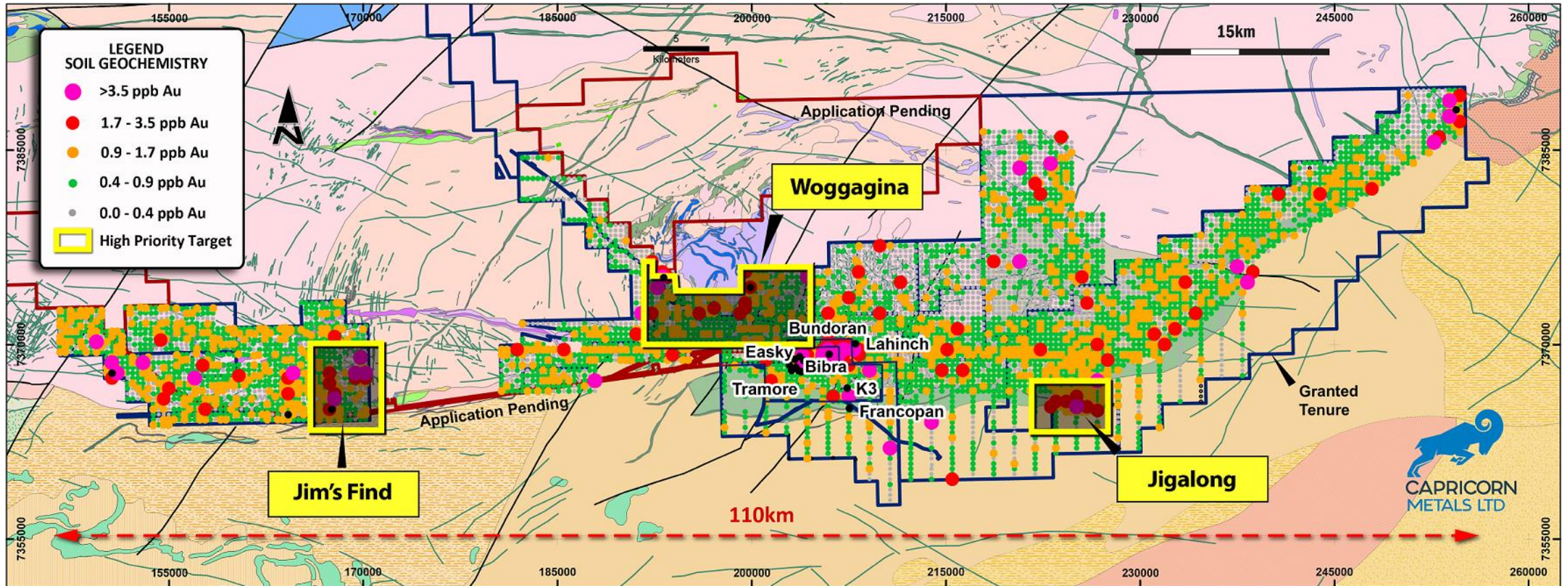
# Karlawinda Gold Project – Regional exploration

- *First pass exploration outside the immediate 1.5Moz Bibra Deposit*
  - Mundiwindi greenstone region identified from soils sampling & mapping, 2018 <sup>(1)</sup>
  - Magnetic and geochemical survey of the Mundiwindi greenstone identifying areas of coincident gold prospectivity <sup>(2)</sup>
  - High-priority soil anomalies identified with similar key pathfinder elements as Bibra
  - Over 50 soil samples through CMM tenure returned assay values over the anomalous threshold <sup>(4)</sup>



# Karlawinda Gold Project – Regional exploration

- Continued evaluation of existing prospects



- K3 Prospect, up-plunge projection of Francopan <sup>(1)</sup>
  - 26m @ 1.03 g/t Au from 132m
  - 27m @ 1.12 g/t Au from 234m

- Francopan, wide-spaced drilling, high grade zones <sup>(2)</sup>
  - 37m @ 1.9 g/t Au incl. 8m @ 5.1 g/t Au from 179m
  - 81m @ 1.2 g/t Au incl. 15m @ 3.0 g/t Au from 400m

(1) Refer to ASX Announcement dated 25 July 2018.  
 (2) Refer to ASX Announcement dated 25 July 2016.

## Summary

*A compelling opportunity in the Australian gold sector*

- Karlawinda Gold Project is an economically robust Western Australian gold development project
- Proven board and management team
- Gold hedging in place at A\$2,249 per ounce to underpin the development of the project
- Project is development ready with all key permitting in place
- Bibra pit and reserve growth leveraged to gold price
- Large and poorly explored tenement package provides opportunity for future growth through exploration success
- Karlawinda the platform to grow a substantial gold company



# Mineral Resource – Karlawinda Gold Project

May 2018

BIBRA GOLD DEPOSIT MINERAL RESOURCE ESTIMATE (as of May 2018)												
Date	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (Mt)	Grade (g/t)	Ounces (koz)	Tonnes (Mt)	Grade (g/t)	Ounces (koz)	Tonnes (Mt)	Grade (g/t)	Ounces (koz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
May 2018	10.64	1.1	365	34.16	0.9	1,010	6.16	0.7	150	50.96	0.9	1.525

BIBRA GOLD DEPOSIT MINERAL RESOURCE ESTIMATE BY DOMAIN (as of May 2018)			
DOMAIN	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)
Laterite	3.1	0.9	88
Oxide – upper saprolite	3.9	0.8	99
Oxide - lower saprolite	4.9	0.8	134
Transitional	5.5	0.8	142
Fresh	33.4	1.0	1,059
<b>TOTAL</b>	<b>50.96</b>	<b>0.9</b>	<b>1,525</b>

Capricorn Metals Ltd has updated the Mineral Resource Estimate at its 100%-owned Karlawinda Gold Project in WA in May 2018. The new resource was updated to include a further 14,000m of drilling at Southern Corridor, moving the dominant JORC 2012 resource classification in this area from Inferred to Indicated status. The May 2018 Resource is reported using the reserve variable cut off grades of 0.29g/t for Laterite, 0.27g/t for Oxide, 0.31g/t for transitional and 0.36g/t for fresh material. The cut off grades have been used to ensure the Reserve sits wholly inside the reported Resource. Previously the resource was reported at a 0.5g/t cut off. Key points from the resource update are listed below:

- 90% of the Resource is classified in the high confidence Measured and Indicated categories
- A Measured Resource and Indicated Resource totalling **45 million tonnes @ 1.0g/t Au for 1.4 million ounces**
- The classification of Southern Corridor resource has been elevated from Inferred to the Indicated classification
- Ounces per vertical metre peak at over 10,000 between 60 and 80m from surface



\* For full details of Karlawinda Mineral Resource Estimate refer to ASX Announcement dated 29 May 2018.

# Ore Reserve – Bibra Deposit

May 2018

Deposit	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)
Bibra pit	9,603	1.1	337	16,915	1.0	529	26,518	1.0	866
Sth Corridor pit	7.9	0.6	0.2	1,027	0.8	26	1,035	0.8	26
<b>Total</b>	9,611	1.1	337	17,942	1.0	555	27,553	1.0	892

## KARLAWINDA ORE RESERVE STATEMENT (A\$1600/ounce assumption)

### Notes:

- Ore Reserves are a subset of Mineral Resources.
- Ore Reserves reported in conformance with the JORC 2012 Code definitions.
- Ore Reserves are calculated using a gold price of A\$1600/ounce.
- Ore Reserves are calculated using a cut-off grade between 0.27g/t and 0.35g/t Au.
- Mining dilution and recovery, estimated by modelling to a Selective Mining Unit (SMU) with dimensions of 5m x 5m x 2.5m, are 5% and 94% respectively.
- All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation.



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