31 January 2020

ACTIVITIES REPORT
DECEMBER QUARTER 2019

HIGHLIGHTS

- **Continued strong progress on the development of the Karlawinda Gold Project including:**
    - **Plant design modified to three stage crushing and single ball mill expected to achieve a throughput rate in the order of 3.5 – 4.0mtpa in fresh ore (previous design forecast 3.0mtpa).**
    - **Preliminary project cost estimates and parameters include:**
        - **Capital cost of $145 – $155 million, including pre-production mining and increase in throughput from 3.0mtpa to 3.5 – 4.0mtpa.**
        - **Average gold production range of 105,000 – 120,000 ounces pa at an average AISC of production of $1,140 – 1,190 per ounce**
    - **Continuation of installation of 306-man accommodation village.**
    - **Contract executed for purchase of ball mill, a key long lead capital item.**
- **Execution of $100 million debt and guarantee facilities with Macquarie Bank including roll-out of 200,000 ounce hedging programme at an average forward price of $2,250 per ounce.**
- **Completion of infill drilling programme at Tramore and Bibra with encouraging results received including:**
    - ***4m @ 7.11g/t from 108m (KBRC1317A)***
    - ***13m @ 2.12g/t from 76m (KBRC1327)***
    - ***21m @ 1.23g/t from 242m (KBRC1360)***
    - ***13m @ 1.79g/t from 164m (KBRC1361)***

  Results of recent drilling have confirmed the geometry and continuity of the gold mineralisation and will be used to complete a Resource and Reserve update in the March 2020 quarter.
- **Appointment of Ms Tammie Dixon as Chief Financial Officer and Company Secretary.**
- **Development activities at KGP are expected to accelerate in the March 2020 quarter as Capricorn targets first gold production in the March 2021 quarter.**

DECEMBER 2019 QUARTER ACTIVITIES SUMMARY

Capricorn is developing the Karlawinda Gold Project (**KGP**) located 65 km south-east of Newman in the Pilbara region of Western Australia. Current Mineral Resources at KGP are estimated at 1.52m ounces of gold, including open pit Ore Reserve of 0.89m ounces. During the December 2019 quarter, the Company continued exploration and development activities as detailed below.

Karlawinda Gold Project Development

Work continued during the quarter to review and optimise the development and operating parameters for the KGP. Preliminary plant design work and DFS capital and operating cost estimation updates were completed during the quarter. Capricorn also made the key appointments of Mintrex and ECG Engineering to undertake engineering, plant design and electrical works for the KGP.

The major change to the plant design from the 2018 study has been a move to a three stage crushing circuit and a single ball mill (previous design was single stage crushing feeding SAG and ball mills). This revised configuration is designed to achieve a throughput in the order of 3.5 – 4.0mtpa in fresh ore (previous design forecast 3.0mtpa). This is expected to deliver an average gold production range of 105,000 – 120,000 ounces per annum, representing significant upside to the average life of mine production estimate of 100,000 ounces per annum reported in the 2018 study. Subsequent to the end of the quarter, the Company placed an order for the ball mill.

The capital cost estimate resulting from the preliminary update is a range of $145 - 155 million. This estimate includes pre-production mining costs (which were not included in the reported 2018 study costs) and the incremental cost of changing to the tertiary crushing/ball mill configuration that provides the throughput upside as described above. The life of mine all in sustaining cost of gold production resulting from the preliminary update is $1,140 – 1,190 per ounce.

Work continued during the quarter on installation of the 306-room accommodation village. A batching plant has been established at the mine-site and pouring of the concrete footings for the accommodation village commenced in the December 2019 quarter. Construction activities however were impacted by significant rainfall in early January 2020 which has delayed installation of parts of the accommodation village by two - three weeks. It is expected that the village will be ready for occupation by the end of the March 2020 quarter.

Concrete batching plant

Installation of the accommodation village

March 2020 Quarter Development Outlook

Development activities at KGP are expected to accelerate in the March 2020 quarter as Capricorn targets first gold production in the March 2021 quarter. Key work streams to be progressed in the March 2020 quarter include:

- Ordering of long-lead items for the development of the KGP processing plant and associated infrastructure;
- Tender and award of major operating contracts including mining services, power generation, and gas transmission and supply;
- Completion of installation, facilitating occupation of the 306-room accommodation village; and
- Commencement of construction of access road and plant site preparation and earthworks.

Exploration

Capricorn wholly owns a 2,042km^2 tenement package at Karlawinda which includes the greenstone belt hosting the 1.5 million ounce Bibra gold deposit and significant further greenstone areas where little or no drilling has been undertaken; in particular at the newly uncovered Mundiwindi greenstone area (Figure 1).

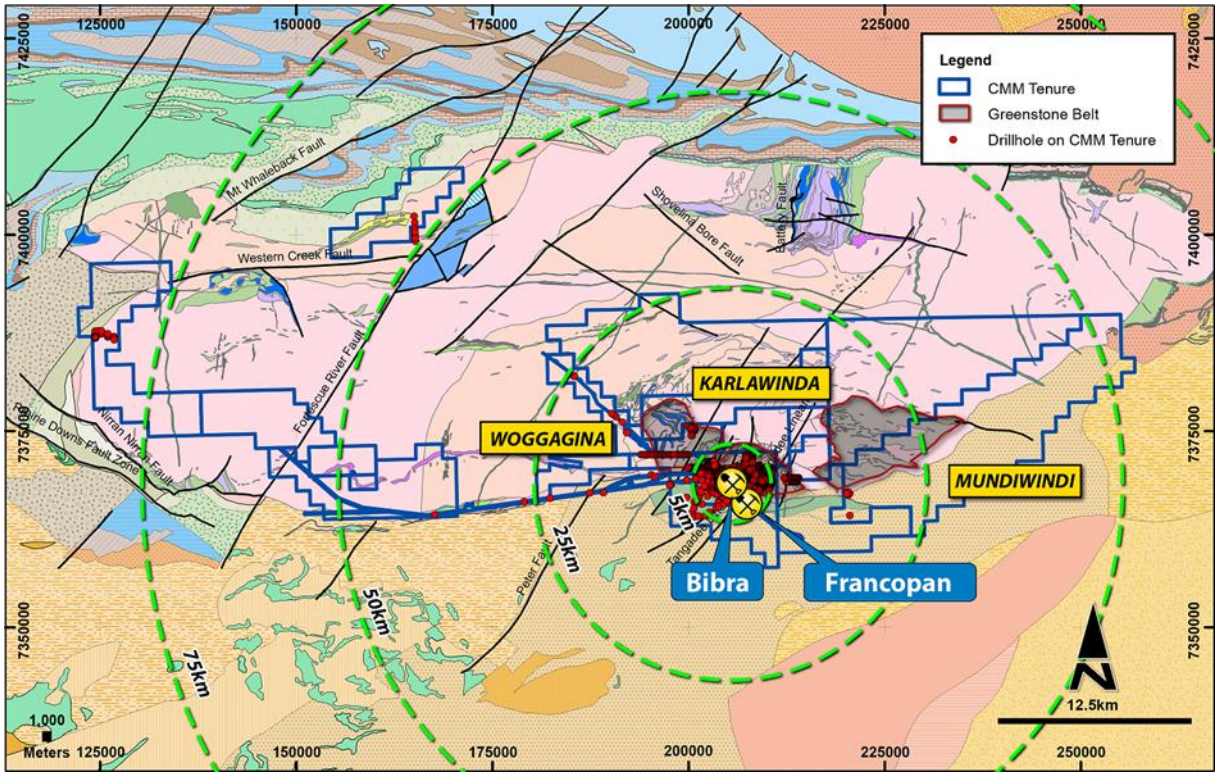


Figure 1: Capricorn Tenure and historic drilling on CMM tenements

Capricorn is in a unique position to control a significant greenstone belt that is endowed with economic gold mineralisation (Bibra >1.5Moz) yet due to its location in the Pilbara (a region not historically explored for gold) very little modern and meaningful exploration has been completed outside of the immediate Bibra deposit.

The magnitude of the exploration opportunity at Karlawinda is clear through a breakdown of the total of 267,000 metres of drilling that has been completed at Karlawinda to date. Of this drilling, 259,000 metres (97%) has been in the 50km^2 area covering the immediate Bibra area and only 8,000 metres (3%) has been on the remaining 1,992km^2 area (Figure 2).

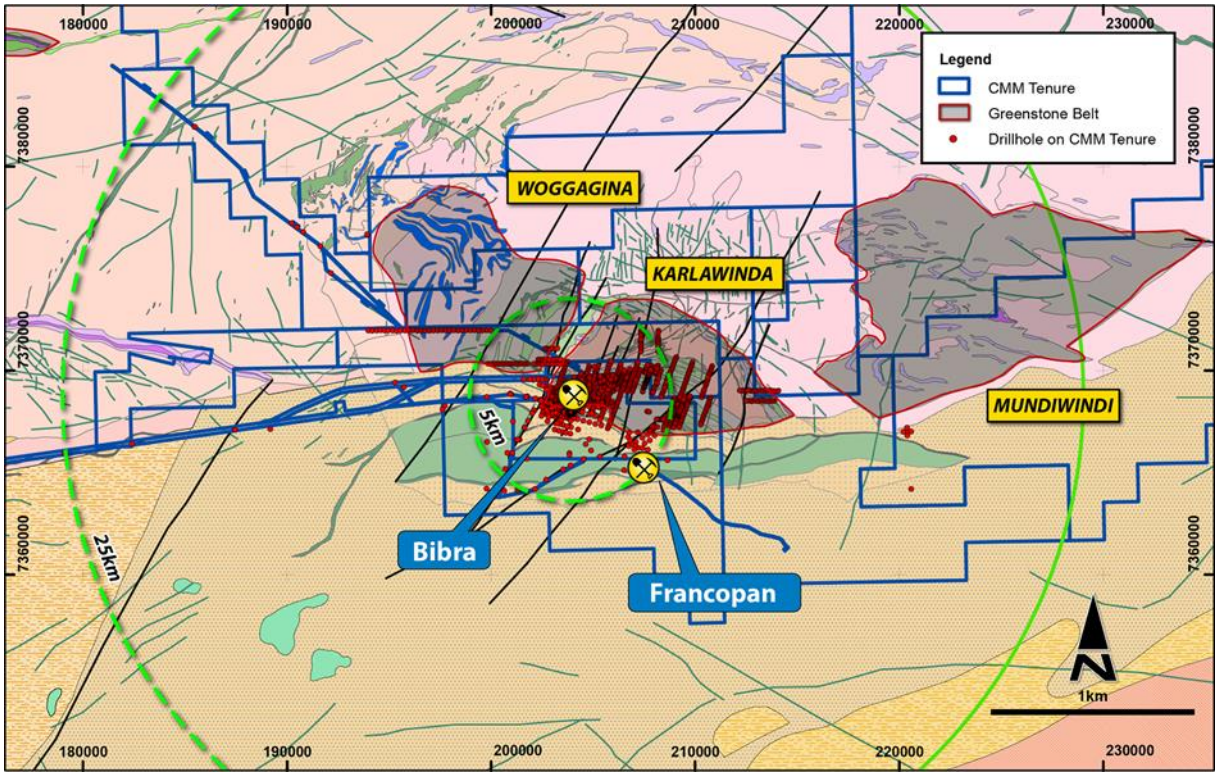


Figure 2: Capricorn drilling on CMM tenements surrounding the Bibra deposit

A review of the geological data base is underway and will be completed in the March 2020 quarter. Following this review the board will approve the exploration programme and budget for 2020, expected to be in the order of $5 million, targeting:

- Resource development drilling – extending and converting ounces into the Karlawinda mine plan
  - Upgrade from Inferred to Indicated Resources and conversion to Reserves
- Definition of new, high value resource ounces from near-mine drilling
  - targeting shallow, “Bibra repeats” from highly prospective and untested horizons
  - in the event of economic discovery these structures provide for cost effective exploration and low capital intensity of development
- Greenfields exploration on large KGP tenure
  - Soil sampling and geophysics
  - First pass aircore drilling of priority targets

Karlawinda Resource Drilling Programme

During the quarter, RC resource definition drilling was undertaken across the Tramore, and Bibra deposits. A total of 57 holes were drilled across the deposits in-filling the current drilling grid to 25m x 25m providing sufficient drill density for an Indicated resource estimation. The majority of results have been received for the holes with the

recent results confirming the geometry and continuity of the gold mineralisation including:

- *4**m @ 7.11g/t from 108m (KBRC1317A)***
- ***13m @ 2.12g/t from 76m (KBRC1327)***
- ***21m @ 1.23g/t from 242m (KBRC1360)***
- ***13m @ 1.79g/t from 164m (KBRC1361)***

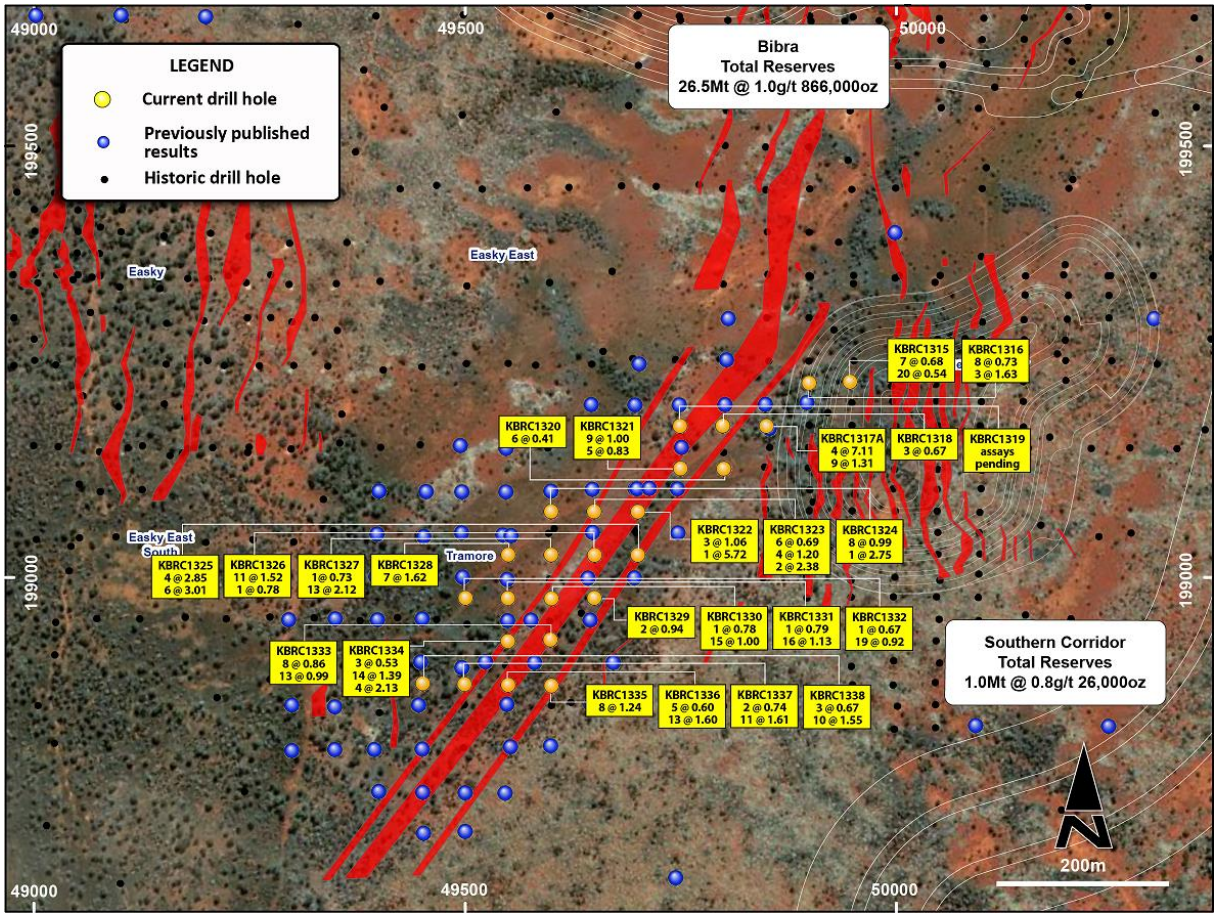


Figure 3: Tramore Prospect Plan with previous holes in blue, new holes drilled in yellow.

Further details of the completed drilling are provided in Appendix 2. These new results are consistent with the previous drilling and demonstrate the consistency of gold mineralisation.

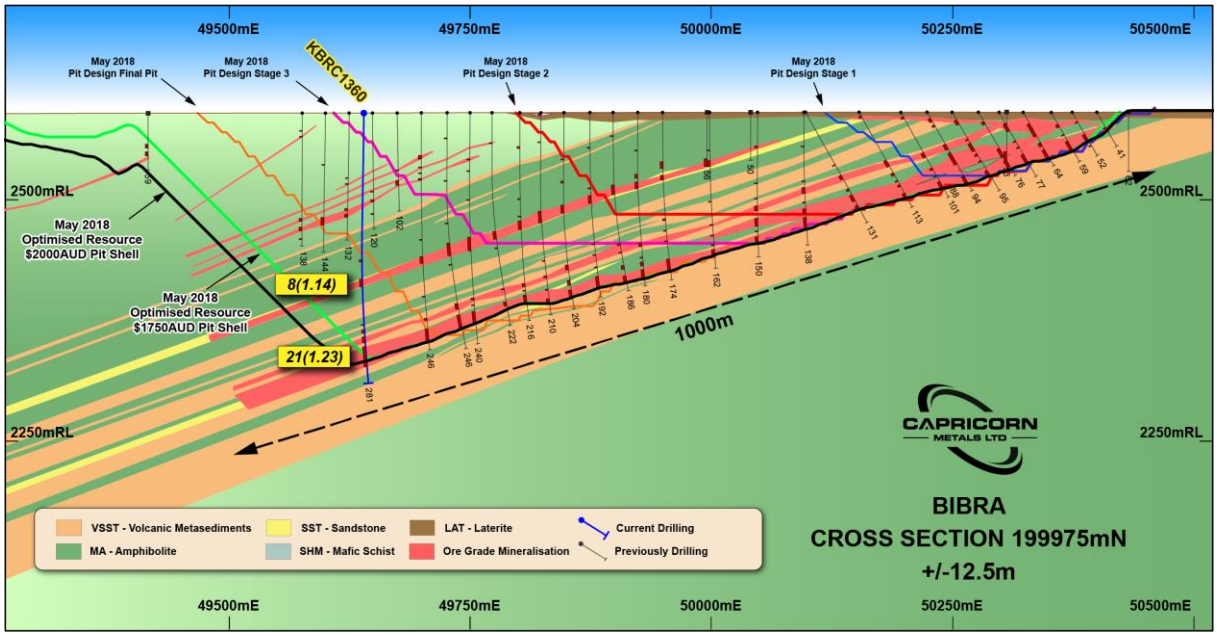


Figure 4: Cross section showing drill hole KBRC1360 with 8m @ 1.14g/t and 21m @ 1.23g/t; all outside current reserve.

It is expected that a resource and reserve update for the whole Karlawinda project will be finalised and reported in the March 2020 quarter.

Corporate

Financing and Hedging

In December 2019 Capricorn executed the debt and bank guarantee facility agreements with Macquarie Bank Limited (Macquarie) for the development of the KGP. The terms of these facilities have been updated from the December 2018 committed letter of offer (which subsequently lapsed).

Whilst the full terms of the Facilities are confidential, the key terms include:

- Project Loan Facility of $80 million;
- Bank Guarantee of $20 million;
- First ranking security over the assets of Greenmount Resources Pty Ltd (a wholly owned operating subsidiary) and corporate guarantee;
- Competitive margin above BBSY;
- Loan covenants customary for a facility of this type;
- Four and a half year tenor with a repayment schedule over the term; and
- The Facility can be repaid early at any time without penalty.

Subsequent to the end of the year the Company rolled out the existing 200,000 ounces of gold hedging contracts with Macquarie Bank. The hedging was rolled into a flat forward structure with a delivery schedule covering 10,000 – 12,000 ounces of gold production per quarter from June 2021 to September 2025 at a flat forward price of $2,250 per ounce.

The equity raisings completed by the Company in July and August 2019 satisfy the equity contribution requirement of the facility. There are a number of remaining conditions precedent to draw down of the facilities, the finalisation of which are in progress.

Appointment of Chief Financial Officer and Company Secretary

During the quarter the Company announced the appointment of Ms Tammie Dixon as Chief Financial Officer and Company Secretary. Ms Dixon is a Certified Practising Accountant with significant experience in financial management with over 18 years' experience in the resources sector. She has held senior management roles with several ASX listed companies, including Regis Resources Limited, Equigold NL and Hardman Resources Ltd.

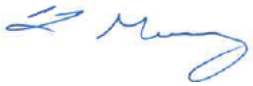
Share Consolidation

In November 2019 Capricorn shareholders, at the Company's Annual General Meeting, approved the resolution to consolidate the Company's issued capital through the conversion of every five shares into one share. The Board believes the share consolidation provides the best platform for continued growth and a capital structure that is more in line with the Company's size and peer group companies. The number of shares currently on issue is 324,765,473.

TENEMENTS

A full listing of the Company's current tenement holdings, as at the date of this release, is included as Appendix 1.

For and on behalf of the Board



Kim Massey
Chief Executive Officer

For further information, please contact:
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Phone: (08) 9212 4600

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. Campbell Ryan who is Chief Geologist and a full-time employee of the Company. Mr. Ryan 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. Ryan 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 Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is a current Member of the Australian Institute of Geoscientists. Mr Martin 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.
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 Mineral Resources (10/4/2017), Metallurgy (19/6/2017) and Ore Reserves (7/08/2017) 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.

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 Karlawinda Feasibility Study that are included in this announcement and which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.

APPENDIX 1 – TENEMENT SCHEDULE

Australia:

Lease	Project	Company	Blocks [1]	Status	Date of Grant/ Application	Expiry
Tenements						
E52/1711	Karlawinda	Greenmount	33	Granted	05/08/2004	04/08/2019
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2019
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2020
E52/2409	Karlawinda	Greenmount	8	Granted	15/06/2010	14/06/2020
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Granted	13/01/2017	12/01/2022
E52/3364	Karlawinda	Greenmount	44	Granted	07/03/2017	06/03/2022
E52/3450	Karlawinda	Greenmount	16	Granted	13/01/2017	12/01/2022
E52/3474	Karlawinda	Greenmount	128	Granted	03/07/2017	02/07/2022
E52/3533	Karlawinda	Greenmount	109	Granted	06/11/2018	05/11/2023
E52/3541	Karlawinda	Greenmount	7	Granted	28/03/2018	27/03/2023
E52/3543	Karlawinda	Greenmount	8	Granted	28/03/2018	27/03/2023
E52/3571	Karlawinda	Greenmount	10	Granted	18/09/2018	17/09/2023
E52/3656	Karlawinda	Greenmount	94	Granted	24/08/2018	-
E52/3671	Karlawinda	Greenmount	26	Granted	02/07/2019	01/072024
E52/3677	Karlawinda	Greenmount	31	Application	07/12/2018	-
E52/3729	Karlawinda	Greenmount	51	Application	05/07/2019	-
Total Blocks			**643**			
Miscellaneous Licences						
L52/174	Karlawinda	Greenmount	22.17 ha	Granted	18/04/2018	17/04/2039
L52/177	Karlawinda	Greenmount	12.20 ha	Granted	08/12/2017	07/12/2038
L52/178	Karlawinda	Greenmount	21.41 ha	Granted	08/12/2017	07/12/2038
L52/179	Karlawinda	Greenmount	127.83 ha	Granted	28/05/2018	27/05/2039
L52/181	Karlawinda	Greenmount	1.00 ha	Granted	18/04/2018	17/04/2039
L52/183	Karlawinda	Greenmount	28.46 ha	Granted	03/05/2018	2/05/2039
L52/189	Karlawinda	Greenmount	1258 ha	Granted	10/04/2019	10/04/2019-
L52/192	Karlawinda	Greenmount	220 ha	Granted	16/05/2018	28/09/2018-
L52/197	Karlawinda	Greenmount	173ha	Granted	10/04/2019	10/04/2019-
Mining Lease						
M52/1070	Karlawinda	Greenmount	2975.07 ha	Granted	23/11/2016	22/11/2037

Note:

1. The area measurement for one block can vary between 2.8 – 3.2 km^2

Madagascar:

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km2)	Interest %	Note
25095	PE	18-Jan-07	17-Jan-47	**40**	Ampanihy - Maniry	48	100%	1
Total Carres						**608**		

Note:

1. Leased to SQNY – Royalty and partial tenement fees payable to subsidiary Mada-Aust SARL.

APPENDIX 2 – SIGNIFICANT RESULTS

TABLE (1): Karlawinda Gold Project - Tramore Prospect Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
KBRC1315	203792.474	7368067.238	588.748	-60/90	59	60	1	0.57
					89	96	7	0.68
					112	132	20	0.54
KBRC1316	203746.31	7368078.202	588.547	-60/90	47	48	1	0.51
					60	62	2	0.69
					108	116	8	0.73
					127	128	1	0.67
					144	147	3	1.63
					152	153	1	4.67
KBRC1317A	203689	7368038	586	-60/90	83	84	1	1.46
					108	112	4	7.11
					120	129	9	1.31
					133	134	1	0.66
					139	140	1	0.7
					150	159	9	0.5
					166	167	1	4.15
KBRC1318	203636.432	7368056.044	588.245	-60/90	43	46	3	0.67
					83	84	1	0.98
					103	104	1	0.63
					108	109	1	0.78
					117	118	1	0.64
KBRC1319	203588.512	7368068.487	588.091	-60/90	Assays Pending			
KBRC1320	203624.666	7368007.624	588.139	-60/90	47	53	6	0.41
					92	93	1	1.76
					97	99	2	0.64
KBRC1321	203576.206	7368020.712	588.016	-60/90	40	49	9	1
					54	55	1	1.38
					60	61	1	0.62
					67	72	5	0.83
					111	112	1	0.83
KBRC1322	203515.426	7367985.169	587.834	-60/90	41	44	3	1.06
					60	61	1	1.84
					68	70	2	0.79
					74	75	1	5.72
KBRC1323	203466.392	7367998.47	587.761	-60/90	54	61	7	0.59
					67	73	6	0.69
					80	84	4	1.2
					90	92	2	1.17
					96	98	2	2.38
KBRC1324	203418.329	7368011.26	587.764	-60/90	28	29	1	1.14

TABLE (1): Karlawinda Gold Project - Tramore Prospect Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
					58	59	1	0.53
					70	71	1	0.63
					78	86	8	0.99
					93	94	1	2.75
					112	113	1	0.85
					117	118	1	0.62
KBRC1325	203502.598	7367936.594	587.992	-60/90	43	47	4	2.85
					60	62	2	0.59
					69	75	6	3.01
KBRC1326	203454.061	7367949.645	587.685	-60/90	45	46	1	0.53
					50	51	1	0.53
					55	66	11	1.52
					79	80	1	0.66
					96	97	1	0.78
KBRC1327	203405.376	7367962.763	587.686	-60/90	64	65	1	0.73
					76	89	13	2.12
KBRC1328	203357.276	7367975.776	587.579	-60/90	94	95	1	0.63
					104	111	7	1.62
					124	125	1	0.63
					131	136	5	0.39
KBRC1329	203440.743	7367901.342	587.749	-60/90	52	54	2	0.94
KBRC1330	203392.448	7367913.732	587.523	-60/90	61	62	1	0.88
					68	69	1	0.78
					79	94	15	1
KBRC1331	203343.761	7367927.181	587.561	-60/90	89	90	1	0.79
					99	115	16	1.13
KBRC1332	203296.45	7367940.145	587.555	-60/90	95	96	1	0.67
					117	136	19	0.92
KBRC1333	203379.1	7367867.956	587.356	-60/90	46	54	8	0.86
					59	72	13	0.99
					98	99	1	0.86
KBRC1334	203331.101	7367878.889	587.33	-60/90	70	73	3	0.53
					78	92	14	1.39
					105	106	1	0.63
					116	120	4	2.13
					141	142	1	0.79
KBRC1335	203366.571	7367815.973	587.305	-60/90	56	64	8	1.24
KBRC1336	203318.237	7367829.64	587.196	-60/90	47	52	5	0.6
					72	85	13	1.6
					99	104	5	0.56
KBRC1337	203269.271	7367843.535	587.094	-60/90	48	49	1	0.67
					75	76	1	0.64
					87	89	2	0.74

TABLE (1): Karlawinda Gold Project - Tramore Prospect Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
					96	107	11	1.61
					119	120	1	0.51
					126	127	1	0.81
KBRC1338	203222.662	7367856.95	586.994	-60/90	111	114	3	0.67
					119	129	10	1.55
					147	148	1	0.79
KBRC1339	204528.99	7369111.13	592	-90/0	39	40	1	0.67
KBRC1340	204482.564	7369123.307	592.027	-90/0	50	52	2	2.4
					57	58	1	4.6
KBRC1341	204407.642	7369143.588	592.007	-90/0	3	6	3	0.57
					86	87	1	1.08
KBRC1342	204521.74	7369087.261	591.765	-90/0	34	35	1	0.67
KBRC1343	204473.106	7369098.355	591.937	-90/0	12	13	1	0.68
KBRC1344	204399.127	7369117.323	591.97	-90/0	54	55	1	0.72
					76	77	1	2.67
KBRC1345	204467.235	7369075.657	591.849	-90/0	8	12	4	0.93
					33	38	5	0.45
					44	45	1	0.55
KBRC1346	203775.001	7369157.381	590.996	-90/0	60	61	1	2.13
					103	104	1	2.93
					196	197	1	1.05
					202	204	2	1.24
					216	217	1	0.6
					229	237	8	1.43
KBRC1347	203727.284	7369170.253	590.736	-90/0	Assays Pending			
KBRC1348	203680.517	7369183.498	590.674	-90/0	Assays Pending			
KBRC1349	203631.021	7369195.956	590.64	-90/0	172	174	2	1.46
					192	193	1	1.49
KBRC1350	203771.225	7369133.126	590.924	-90/0	45	49	4	0.39
					58	59	1	0.84
					99	100	1	0.67
					108	109	1	0.51
					202	220	18	1.28
					224	225	1	0.54
					231	235	4	0.79
KBRC1351	203722.075	7369146.457	590.658	-90/0	53	54	1	0.82
					73	74	1	0.72
					111	116	5	1.62
					135	136	1	1.24
KBRC1352	203676.423	7369158.185	590.576	-90/0	76	77	1	0.65
					87	88	1	6.74
					99	100	1	1.74
					127	132	5	0.98

TABLE (1): Karlawinda Gold Project - Tramore Prospect Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
KBRC1353	203625.664	7369173.449	590.505	-90/0	Assays Pending			
KBRC1354	203743.015	7369063.624	590.522	-90/0	Assays Pending			
KBRC1355	203716.994	7369018.335	589.971	-90/0	Assays Pending			
KBRC1356	203687.029	7369000.068	590.14	-90/0	131	133	2	2.05
					164	166	2	0.83
					218	241	23	0.91
					245	246	1	0.68
					257	258	1	0.94
					262	263	1	2.89
KBRC1357	203700.936	7368968.183	590.218	-90/0	38	39	1	0.79
					56	58	2	0.59
					62	63	1	1.04
					72	76	4	2.91
					95	96	1	1.03
					112	113	1	0.53
					169	170	1	2.23
					191	192	1	0.56
					218	223	5	2.39
					230	258	28	1.06
KBRC1358	203662.789	7368929.023	589.78	-90/0	Assays Pending			
KBRC1359	203698.221	7368896.022	589.965	-90/0	174	177	3	1.04
					215	216	1	0.9
					227	230	3	1.24
					241	263	22	1.03
KBRC1360	203689.629	7368870.556	589.777	-90/0	152	154	2	0.95
					172	180	8	1.14
					219	220	1	4.55
					225	228	3	1.49
					232	238	6	0.71
					242	263	21	1.23
KBRC1361	203694.988	7368844.345	589.826	-90/0	145	146	1	1.19
					164	177	13	1.79
					233	239	6	0.82
					246	250	4	2.08
KBRC1362	203687.188	7368819.043	589.733	-90/0	85	86	1	0.56
					163	170	7	1.72
					228	253	25	0.48
KBRC1363	203630.144	7368807.445	589.599	-90/0	41	45	4	0.63
					164	165	1	0.65
					173	189	16	1.37
					244	251	7	1.08
					260	272	12	0.78
KBRC1364	203815.143	7368525.653	589.484	-90/0	Assays Pending			

TABLE (1): Karlawinda Gold Project - Tramore Prospect Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
KBRC1365	203766.788	7368538.856	589.363	-90/0	13	14	1	0.51
					48	54	6	1.74
					60	72	12	1.53
					77	81	4	0.5
					89	100	11	0.79
KBRC1366	203717.748	7368551.987	589.23	-90/0	74	78	4	1.46
					83	90	7	1.25
					104	106	2	0.6
					116	118	2	1.63
KBRC1367A	203673.17	7368563.92	589.224	-90/0	11	12	1	0.78
					96	97	1	0.6
					101	105	4	3.11
					118	122	4	0.86
					130	138	8	4.61
KBRC1369	203977	7369232	595	-90/0	Assays Pending			

APPENDIX 3 – 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 30 g 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.*	For Reverse Circulation drilling 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. 2-3kg of sample was split into a calico bag and the reject bulk sample was discharged from the cyclone into wheelbarrows and dumped into neat piles on the ground. 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. Drilling personnel and Capricorn field personnel monitored bag weights throughout the program. At the start of the program, duplicate cone split samples were also taken from the B chute of the core splitter, and the bulk sample was collected directly into green bags through the ore zones. The original split samples, the duplicate split samples and the reject green bag samples were weighed to test for biases and sample recoveries. Upon determination that there were no sampling problems, drilling continued without these measures. 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. Samples were sent to the laboratory where they were pulverised to produce a 50 g charge for fire assay.
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.).*	Two Ranger Drilling drill rigs were used to drill the RC drill holes: Rig 15: Austex X350 aircore/RC Drill Rig with rig-mounted 900CFM / 350PSI compressor Rig 4: DRA600 RC Drill Rig with rig-mounted 1350CFM / 500PSI compressor. Both rigs operated with truck-mounted auxiliary compressors and Hurricane booster packs. Hole diameter on both rigs was 140mm (5.5").
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.*	At program start-up, cone split original and duplicate samples and the reject green bag samples were collected on the rig through mineralised zones. These samples were weighed to test for sample biases and poor recoveries. The majority of ore grade samples had recoveries greater than 80%. Recovery measurement and weighing of bulk sample was discontinued after samples were determined to be of good quality. Samples were of good quality with minimal effect on sample quality or recovery by ground water.

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. Chip trays were stored on site in a sealed container. Chips were visually inspected and logged by an on-site geologist to record lithology (including rock type, oxidation state, weathering, grain size, colour, mineralogy, and texture), alteration, mineralisation, veining, structure, sample quality (dry/wet, contamination) and approximate water flow down hole. Mineralisation, veining and water flow were quantitative or semi-quantitative in nature; the remainder of logging was qualitative. Magnetic susceptibility was measured in 1m intervals. Dry chips were also collected in soil sampling bags to allow for handheld XRF analysis at a later date.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	RC Samples were split from dry, 1m bulk sample via an in-line Metzke cone splitter directly below the cyclone. The quality control procedure adopted through the process includes: On program start-up, calico samples and reject samples were weighed in order to ensure representivity of the split, remove any biases, and to compare recovered sample to theoretical sample recovery. This practice was discontinued once good sample quality and recovery was verified. 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 and Aurum laboratories in Perth, WA. Samples were oven dried at 105°C 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 RC samples were analysed for Au using the FA50/MS technique which is a 50g lead collection fire assay. This sample preparation technique is appropriate for the Karlawinda Project; and is standard industry practice for a gold deposit. Quality control for maximising representivity of samples included sample weights, insertion of field duplicates and laboratory duplicates.
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.*	Drilling samples were submitted to Intertek and Aurum laboratories in Perth. RC samples were assayed by a 50gm fire assay which is a total assay. Field duplicates were collected at a ratio of 1:50 and 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.

	standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
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 was directly recorded by the geologist on the rig into a Micromine field marshal template, which utilises lookup tables and in-file validation. Logging was loaded into a working database on site and validated using Micromine. Validated data was sent to the database administrator in Perth who then carried out independent verifications using Maxwalls Datashed. Assay results when received were plotted on section and verified against neighbouring holes. QAQC reports were generated on a hole-by-hole basis by the database administrator as results were received. Any failure in company QAQC protocols resulted in follow-up with the laboratory and occasional repeat of assays as necessary.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drillhole collar positions were surveyed before and after drilling using a Trimble RTK system, comprising an R10-2 Base and Receiver and a Trimble TSC3 Data Collector. The Base was set up on KB01 located on "Laterite Hill", which was adopted as control for the surveys. All surveys were checked against and closed off on KB01DRM to ensure accuracy. All data was collected in GDA94 using an MGA94 projection in zone 51, AHD 71 was used for the vertical datum. Down hole surveys were undertaken on 30m increments from end of hole, using a Reflex down hole gyroscopic tool.
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.*	Please See Table 1 for Results RC Samples were collected and analysed for each metre down the hole. Hole spacing was 25m x 25m, sufficient for classification to Indicated Resource.
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 perpendicular to strike on a local grid. Tramore orebody dips at 27 degrees to the west north west; Bibra Hanging Wall and Footwall lodes dip at 16-20 degrees to the west north west. Holes in the drill programs have being drilled at inclination of -60 and -90 degrees, dependent on existing drilling. 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 polyweave bags and tied shut with a wire tie. These bags were then sealed in bulka bags by company personnel, dispatch by third party contractor. Capricorn undertakes reconciliation with laboratory assay returns.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Program reviewed by company senior personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental*	The Karlawinda Project is located in the Pilbara region of Western Australia on tenements M52/1070, E52/1711, E52/2247, E52/2398, E52/2409, E52/3323, E52/3363, E52/3364, E52/3450 held by Greenmount Resources Pty Ltd, a wholly owned subsidiary of

	settings. • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Capricorn Metals. The exploration drilling was undertaken on M52/1070, previously part of E52/1711. E52/1711 was acquired from South32 in 2008. South32 retain a 2% NSR and a claw-back provision whereby South32 can elect to acquire a 70% equity in the project only if JORC compliant reported resources of 5,000,000 ounces of gold and/or 120,000 tonnes of contained nickel have been delineated. The Nyiyaparli group are Native Title claimants covering an area including M52/1070 and E52/1711. There is no known heritage or environmental impediments over these tenements. No other known impediments exist 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 Independence Group NL (IGO) who undertook exploration between 2008 & 2014. Prior to Independence Group, WMC (BHP) explored the area from 2004 to 2008
Geology	• *Deposit type, geological setting and style of mineralisation.*	Bibra is part of a large-scale Archaean aged gold mineralized system. The resource is hosted within a package of deformed meta-sediments which has developed on at least two parallel, shallow dipping structures; supergene oxide mineralization has developed over the structures close to surface. The primary mineralization is strata-bound with lineation's identified as controlling higher-grade shoots. The deposit is oxidized to average depths of 50-70m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Please See Table 1 for Results
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 2019 drilling single fire assays were completed for each RC 1m sample. Significant work has been undertaken on assay variability though the Bibra deposit, whereby single fire assay has been deemed suitable.
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 Karlawinda, 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*	The diagrams in the report provide sufficient information to understand the context of the drilling results.

	significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
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 a balanced report with a suitable cautionary note.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Systematic metallurgical testwork programs over 2012 to 2019 on master and variability composites from diamond core identifies mineralisation as free milling and amenable to cyanidation
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further Drilling program have been designed to follow up the current drilling to further define the mineralised zone.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CAPRICORN METALS LTD

ABN	**Quarter ended ("current quarter")**
84 121 700 105	31 DECEMBER 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(611)	(1,915)
	(b) development	(5,119)	(5,397)
	(c) production	-	-
	(d) staff costs	(1,730)	(2,490)
	(e) administration and corporate costs	(290)	(574)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	243	329
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Grant Income	59	59
1.8	Other: GST (Paid)/ Refunded	(286)	(634)
1.9	**Net cash from / (used in) operating activities**	**(7,734)**	**(10,622)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(103)	(768)
	(b) tenements (see item 10)	-	-
	(c) investments (deferred instalments)	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(103)**	**(768)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	83,260
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	18	18
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,947)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(1,605)	(1,605)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(1,587)**	**79,726**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	86,800	9,040
4.2	Net cash used in operating activities (item 1.9 above)	(7,734)	(10,622)
4.3	Net cash from/ (used) in investing activities (item 2.6 above)	(103)	(768)
4.4	Net cash from financing activities (item 3.10 above)	(1,587)	79,726
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**77,376**	**77,376**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	52,335	61,759
5.2	Call deposits	25,041	25,041
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**77,376**	**86,800**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	137
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors remuneration 137

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	80,000	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	20,000	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Project Loan Facility of $80 million and a Bank Guarantee of $20 million at an interest rate of 1% with Macquarie Bank Ltd. Macquarie Bank Ltd have first ranking security over the assets of Greenmount Resources Ltd, a wholly owned operating subsidiary of Capricorn Metals Ltd and corporate guarantee.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	750
9.2	Development	6,000
9.3	Production	-
9.4	Staff costs	1,800
9.5	Administration and corporate costs	250
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**8,800**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Covering Quarterly Activity Report attached hereto		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 January 2020

(Company Secretary)

Print name: Tammie Dixon

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.