

DRILLING UPDATE FOR THE ISLAND GOLD PROJECT AND NORTHAMPTON

HIGHLIGHTS

- **Drilling contractor secured for the Island Gold Project and Northampton programs**
- **Island Gold Project Program:**
 - **Maiden 3,000m RC drill program scheduled to commence late September / early October**
 - **Initial program will target depth and strike extensions at New Orient and Baxters-Golconda, while also testing a number of high priority regional targets**
 - **Includes multiple shallow targets, with average drilling depth of less than 100m**
 - **Independent geophysical review to refine immediate drill targets and to define new targets**
 - **The Island Gold Project remains largely untested by modern exploration techniques**
- **Northampton Program:**
 - **Initial 5 hole RC drill program has commenced at the Wheal Fortune Prospect**
 - **Program to target depth extensions of Wheal Fortune Mine that historically produced 3,015 tonnes of lead at 75% Pb and 2,681 tonnes of copper at 17% Cu**
- **Both drill programs are fully permitted and the Company looks forward to providing further updates as they become available**

Operations Update

Caprice Resources Limited (ASX:CRS) (**Caprice** or **the Company**) is pleased to announce that it has secured the services of NDRC Drilling based in Mount Magnet to commence a drilling program at the Company's wholly owned Northampton Project and the Island Gold Project, which remains subject to completion of the recently announced acquisition of Goldview Metals Pty Ltd (**Goldview**)¹. Drilling at the Island Gold Project is scheduled to commence shortly after completion of the acquisition of Goldview (expected late September / early October).

¹ See ASX announcement CAPRICE TO ACQUIRE HIGH-GRADE GOLD PROJECT NEAR CUE, WA dated 6 August 2020.

The Island Gold Project

New Orient Drilling

At New Orient, drilling to date has targeted gold mineralisation associated with banded iron formation (BIF) and north-easterly trending shear zones that are associated with major regional structures at the Island Gold Project. These regional structures have provided fluid conduits for gold mineralisation, particularly where they intersect BIF and other favorable units within the Murchison Greenstone Belt. The shear zones are also widely recognised as favourable standalone targets but have not been widely tested at the Island Gold Project.

Previous exploration has focused on the western side of the north north-easterly trending shear zone as illustrated in Figure 1. This drilling returned gold mineralised intercepts between 2m to up to 7m in true thickness with the following key intercepts:

- BB30 returned **15m @ 5.41 g/t Au** from 76-92m;
- BB31 returned **5m @ 5.11 g/t Au** from 88-94m; and
- BB32 returned **4m @ 6.27 g/t Au** from 55-59m including 1m @ 20.8g/t from 57-58m was drilled to test the zone between previous drill holes BB17 5m @ 6.64g/t Au from 72-75m and BB18 5m @ 7.86g/t Au from 47-52m.²

This program will extend the known zones of mineralisation along-strike to the north and south, proximal to the interpreted cross cutting fault and the historical shallow mine workings as shown in Figure 2. Drilling will also test the interpreted cross-cutting faults through the BIF units which present additional new targets including associated en-echelon veins. Historical drilling directions did not take into account this structural orientation and has therefore not been adequately tested.

The proposed program will target depths of up to 130m below surface and both along strike and down-plunge extensions to known mineralisation.

² See ASX announcement CAPRICE TO ACQUIRE HIGH-GRADE GOLD PROJECT NEAR CUE, WA dated 6 August 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

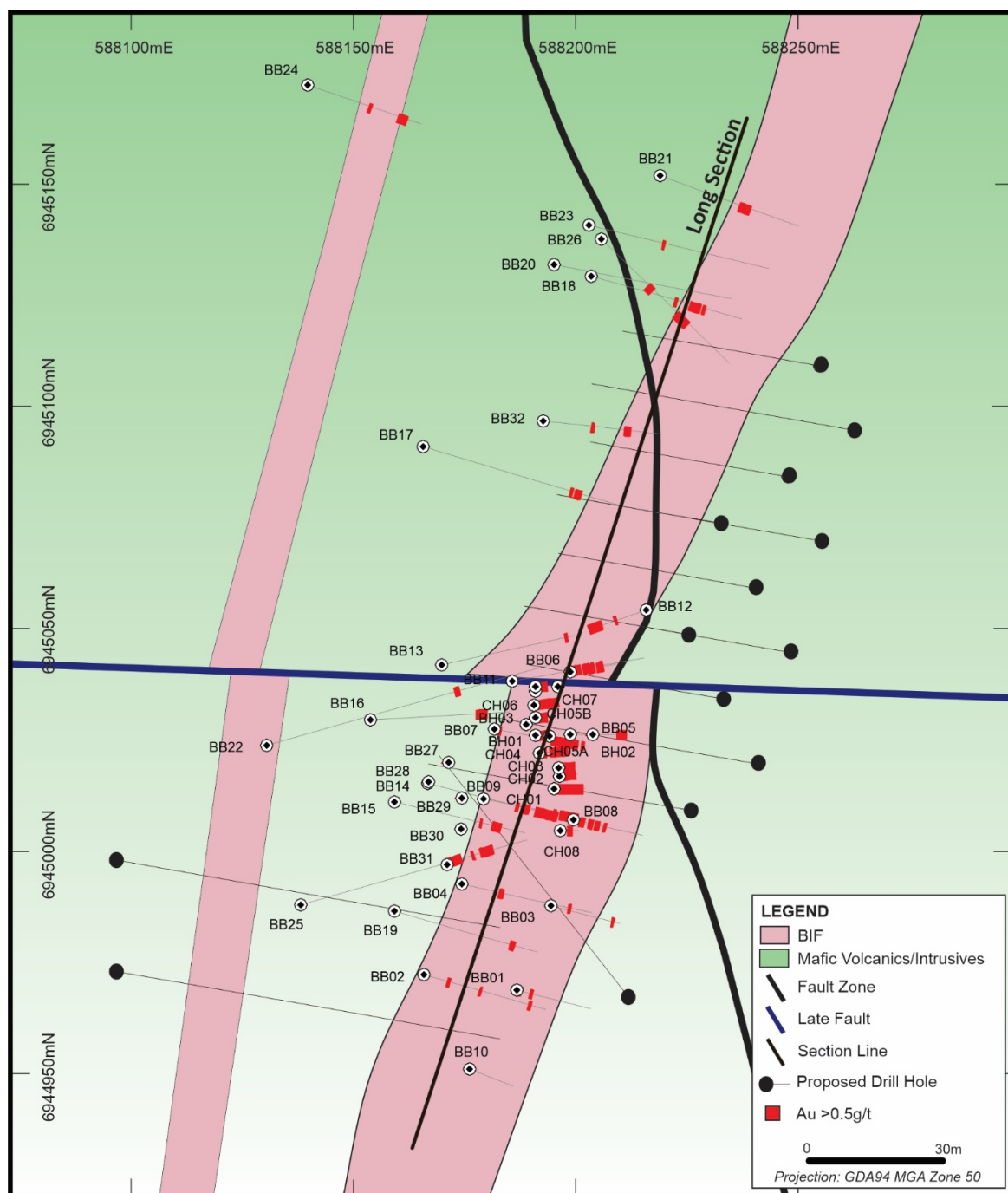


Figure 1: Plan view of New Orient with interpreted geology, historical and planned drill holes

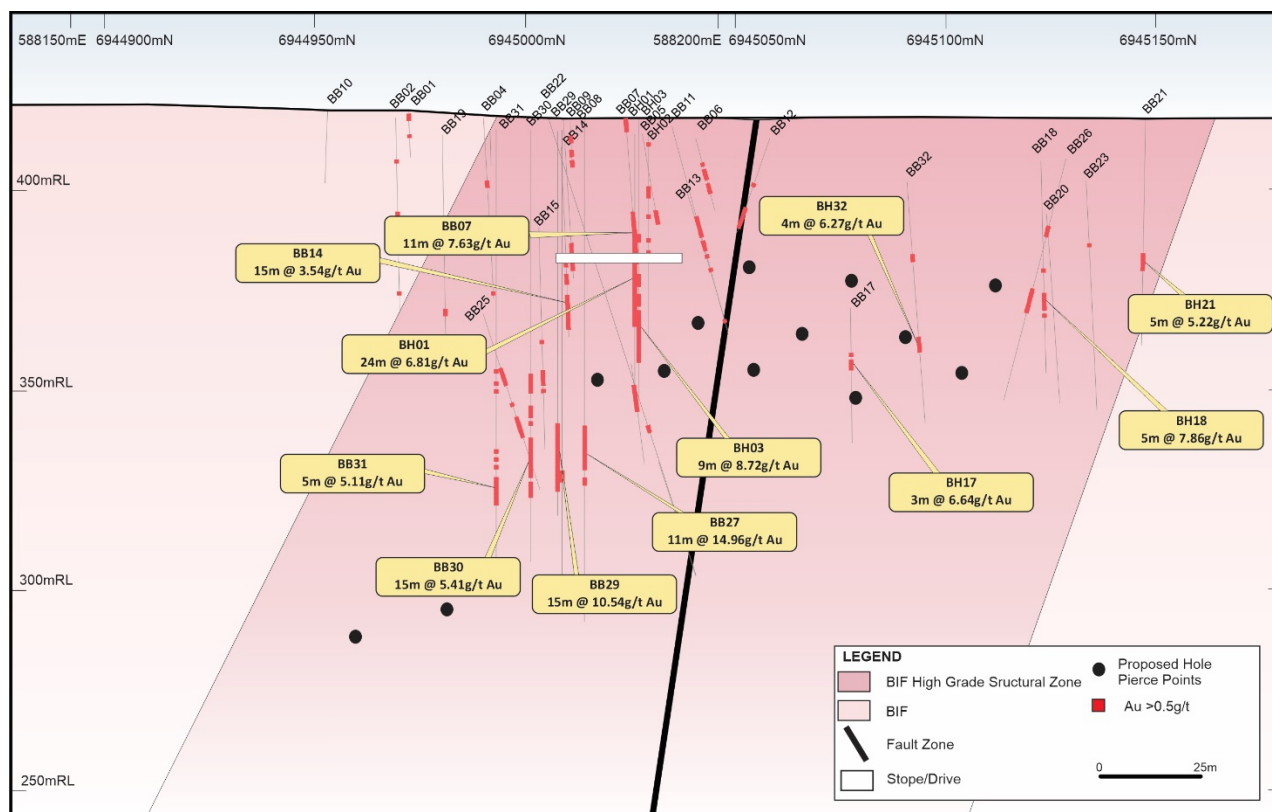


Figure 2: New Orient Long Section illustrating historical intercepts and planned drill hole pierce points

Baxters-Golconda Drilling

The Baxters-Golconda area recorded the highest historical gold production within the Island Gold Project and as such has been the focus of drilling undertaken to date. There are extensive workings present throughout the Project area with the strongest concentration on the Golconda-Vadrian Hill trend. The alignment of these workings forms a strong north-easterly trend that is interpreted to be a major influence on the distribution of gold mineralisation in the area. The majority of historical production was sourced from several developments to the south-west of Baxters.

High grade mineralisation is hosted within north-south trending BIF units which are offset by south-east trending fault structures. These faults repeat over consistent strike lengths resulting in repetition along the shear structure. Drilling has focused on the areas of extensive workings in the south west with limited drilling along strike further to the south-west and north-east.

Previous drilling intercepted intervals include:

- **4.0m @ 17.3g/t Au** from 8.0m (Baxters)
- **3.0m @ 24.3g/t Au** from 27.0m (Baxters)
- **4.0m @ 7.6g/t Au** from 26.0m (Golconda)³

³ The select intercepts have been chosen to demonstrate the prospectivity of the region. See ASX announcement CAPRICE TO ACQUIRE HIGH-GRADE GOLD PROJECT NEAR CUE, WA dated 6 August 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Gold tenor is strongly associated with fold hinges within the BIF units. These fold hinges plunge to the north-northeast at 45° and range in thickness from 10 to 30m. Drilling to date has traced high grade mineralisation at Baxters-Golconda up to 200m along strike and to a depth of 70 m. Mineralisation is open to the north as well as Golconda North which has limited historical drilling. Mine workings in the area strongly support the plunging nature of the high grades with all workings following this northerly trend at depth.

Historical drilling failed to intersect mineralisation directly below the workings. This drilling targeted depth extensions of mineralisation rather than down plunge as confirmed by structural analysis on the existing data. This confirms the down-dip plunge targets are preserved. Follow up drilling by Goldview was consistent with this approach in targeting down plunge extensions and resulted in several intersections in the Baxters-Golconda areas.

An extensive metagabbro intrusive also forms part of the central part of the project area directly north of Baxters-Golconda. This intrusive appears irregular and is strongly weathered and possibly altered. Quartz veining is present associated with supergene mineralisation and as quartz reefs and will be evaluated as part of the program.

The proposed drilling at Baxters-Golconda will include 5 holes designed to further extend the strike and down plunge components of the mineralisation identified to date.

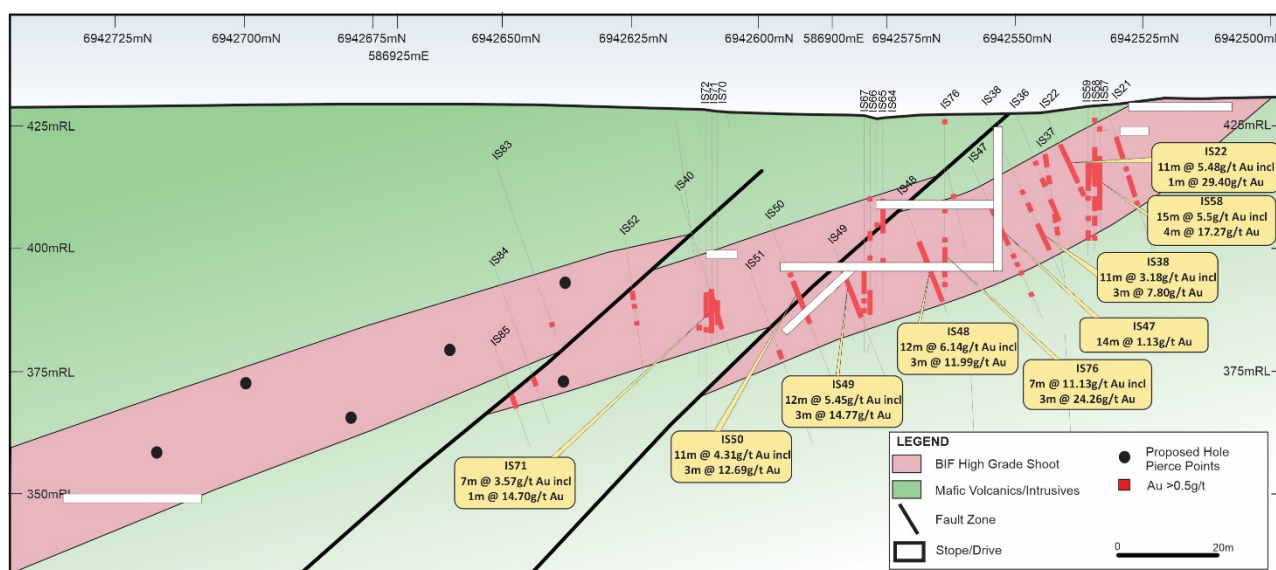


Figure 3: Baxters Long Section illustrating historical mine working, drilling intercepts and planned drill hole pierce points

Other Activities

Caprice will also undertake an independent review of the existing geophysics of the Island Gold Project's landholding. It is intended that the review of the airborne data will focus on the regional structures and favourable stratigraphic units for gold mineralisation.

BIF structures in the area that have been found to be important for the gold deposition found so far and the relationship with the multiple structures that have been mapped across the Project. This will be the first time stratigraphic and structural data has been reviewed together and tie the mineralisation into the broader regional architecture, refine existing targets and define new targets on the Island Gold Project.

Northampton

The Company's planned activities at Northampton have been designed to test for depth extensions to the Wheal Fortune and Wheal Fortune Extended historical copper lead mines which operated between 1862-1868, over a length of 223m, and down to ~90m in depth. The deposits historically produced a combined 3,015 tonnes of lead ore at 75% Pb and 2,681 tonnes of copper ore at 17% Cu. The Wheal Fortune Extended mine is connected to Wheal Fortune at the 55m level of the shaft. The initial program will consist of 5 holes drilled to a maximum depth of 120m targeting the area between the Wheal Fortune and Wheal Fortune Extended mine as show in the figure below.

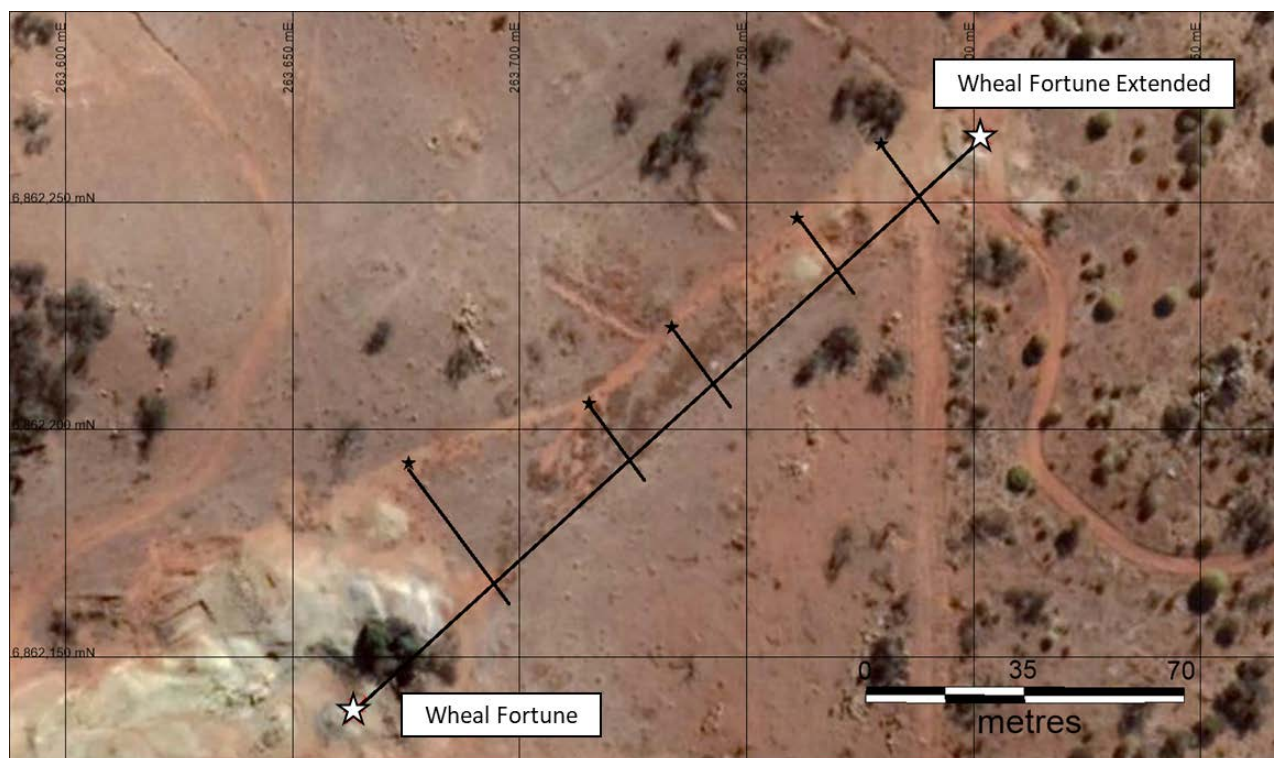


Figure 4: Plan view of Northampton drilling locations

This announcement has been authorised by the Board of Caprice.

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Compliance Statement

In relation to the Company's reported drilling intercepts at the Company's wholly owned Northampton Project and the Island Gold Project, the Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Announcement titled 'Caprice to acquire high-grade gold project near Cue, Western Australia' dated 6 August 2020.

Forward Looking Information

This announcement contains forward looking statements concerning the Company. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this announcement are based on the Company's beliefs, opinions and estimates of the Company as of the dates the forward- looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of commodities, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed announcements. Readers should not place undue reliance on forward-looking information.

The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.