



CAPRICORN
METALS LTD

ASX Code: CMM

Building a Significant Australian Gold Company

Investor Presentation – February 2016

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ASX announcements are available on the Company's website at www.capmetals.com.au

A Significant New Australian Gold Company



Repositioned and Focusing on WA Gold

COMPANY SNAPSHOT

- Acquisition of the Karlawinda Gold Project via a merger with unlisted Greenmount Resources Pty Ltd
- Merger completed Feb 3, 2016 – issue of 172m shares
- 650,000oz JORC compliant inferred resource
- Clear, accelerated route to production
- \$12m spent to date on scoping study activities by IGO
- Large-scale resource expansion upside and potential for camp-scale exploration success
- Funding supported by recent placement (\$1.5m) and ongoing sale of assets in Madagascar
- Strong cornerstone support from Regis Resources (9.9%)
 - Recognition of asset quality
- Aim is to build a simple and highly profitable gold company!



Repositioned and Focusing on WA Gold

COMPANY SNAPSHOT

- Merger completed Feb 3, 2016:
 - Issue of 172m shares to Greenmount Resources Pty Ltd
 - Total 389m shares on issue
- Cash at hand - \$1.8m
- Ongoing funding via Madagascar asset sale
- Fully funded resource expansion drilling commences early March
- Scoping Study commenced with aim to complete mid-2016



Corporate Overview

Board of Directors

Guy Le Clezio	Non-Executive Chairman <i>(World Titanium Resources / Eyres Reed)</i>
Peter Thompson	Managing Director <i>(St Barbara / Jubilee / Anaconda)</i>
Heath Hellewell	Non-Executive Director <i>(Doray / IGO / Resolute)</i>
Peter Langworthy	Technical Director <i>(Jubilee / WMC / Pacmin)</i>

Major Shareholders

Existing MGY holders	44%
Directors & Management	13.7%
Centrepeak	19.1%
Regis Resources	9.9%

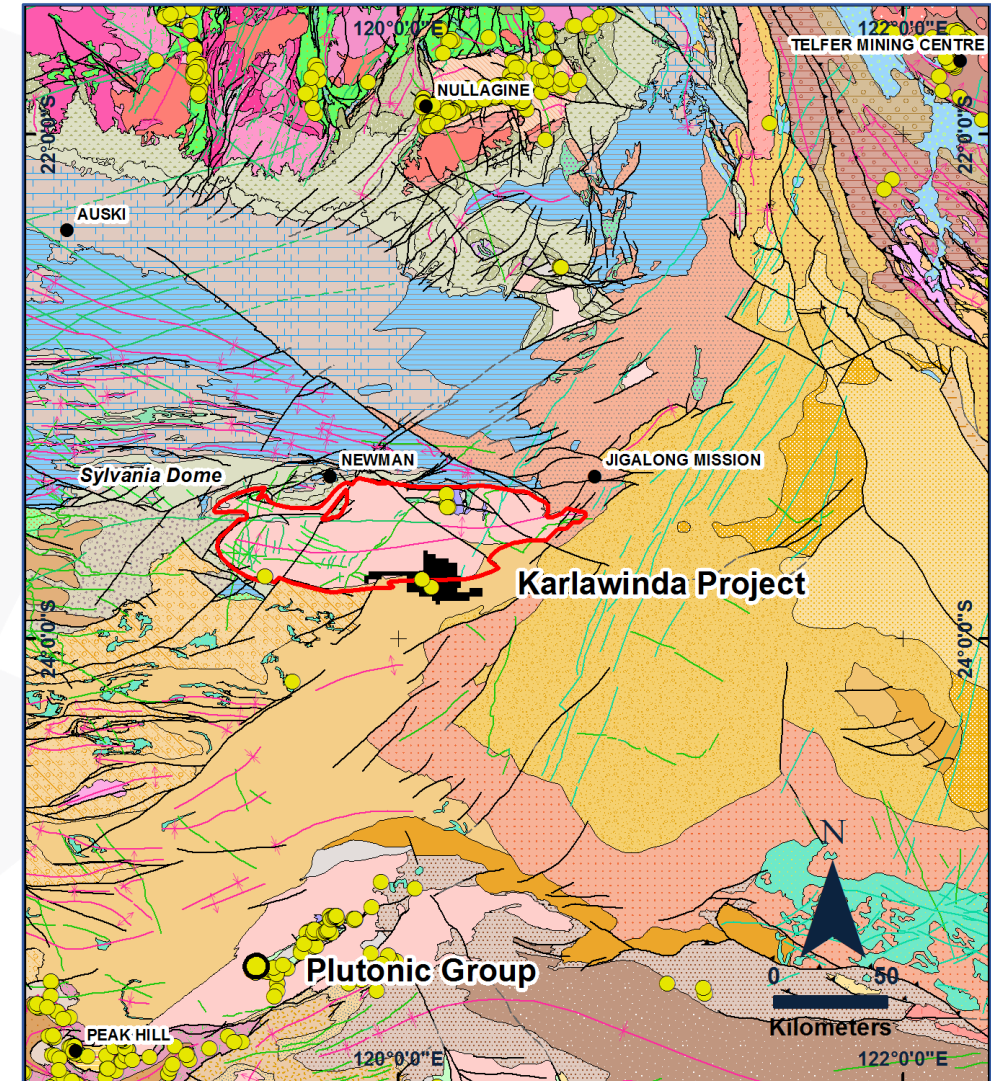
Corporate Information

ASX Code	CMM
Shares	389m
Share Price at 11 Feb	9.0c
Market capitalisation	\$35m
Cash	\$1.8m
Unlisted options	7.8m

The 172m shares issued to Greenmount Resources shareholders held in escrow for 12 months.
Centrepeak is a related entity to Heath Hellewell

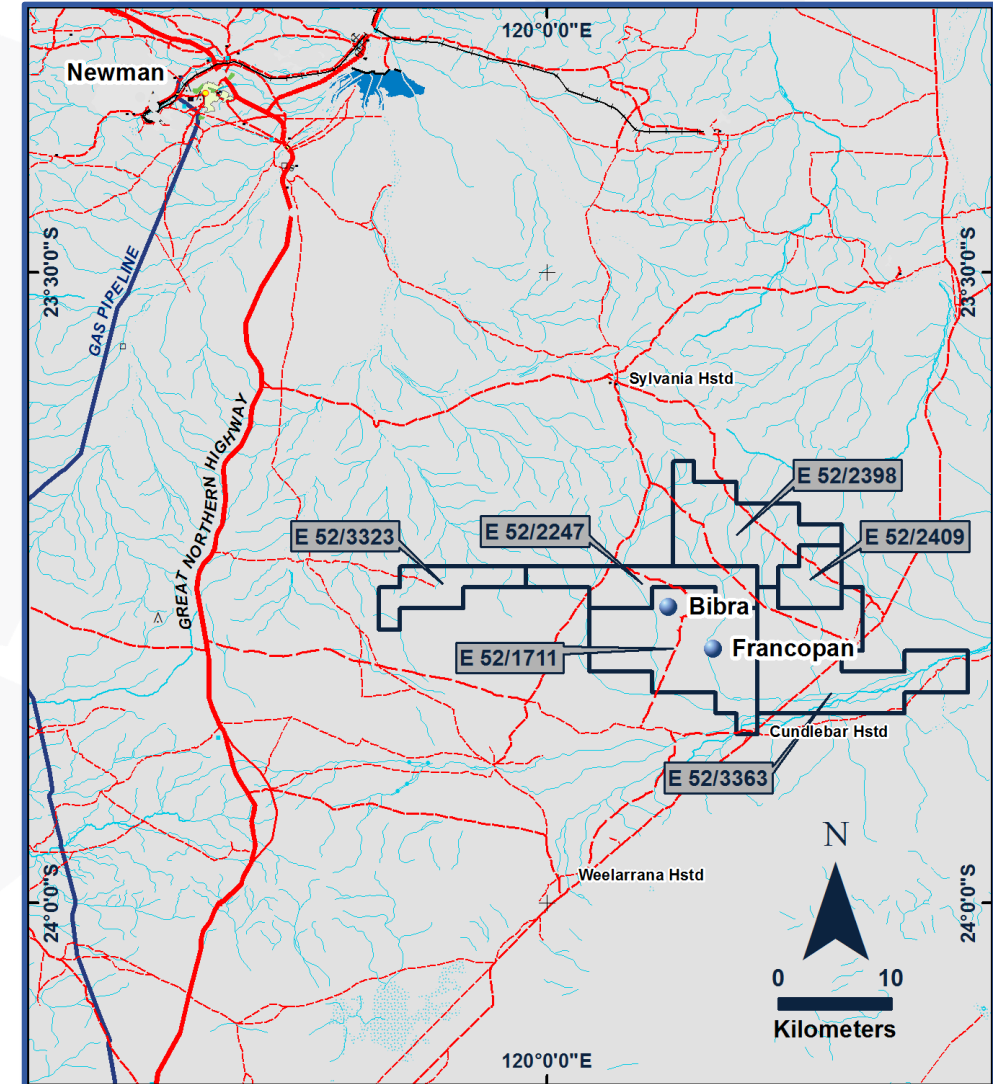
Karlawinda Gold Project – “Forgotten Opportunity”

- Gold discovered at Francopan by WMC in 2005 while exploring for Ni/Cu mineralisation – no dedicated gold exploration
- IGO acquired the project from BHPB (following WMC takeover) in 2008 for \$4m
- Bibra Gold Deposit discovered by IGO in 2009 – surface geochemistry
- Drilling by IGO 2009-2012 outlined an inferred resource of 650,800 ounces within a broader zone of unclassified mineralisation
- No material activity 2013-2016
- Divested by IGO as focus now on core production and development assets – competition for capital



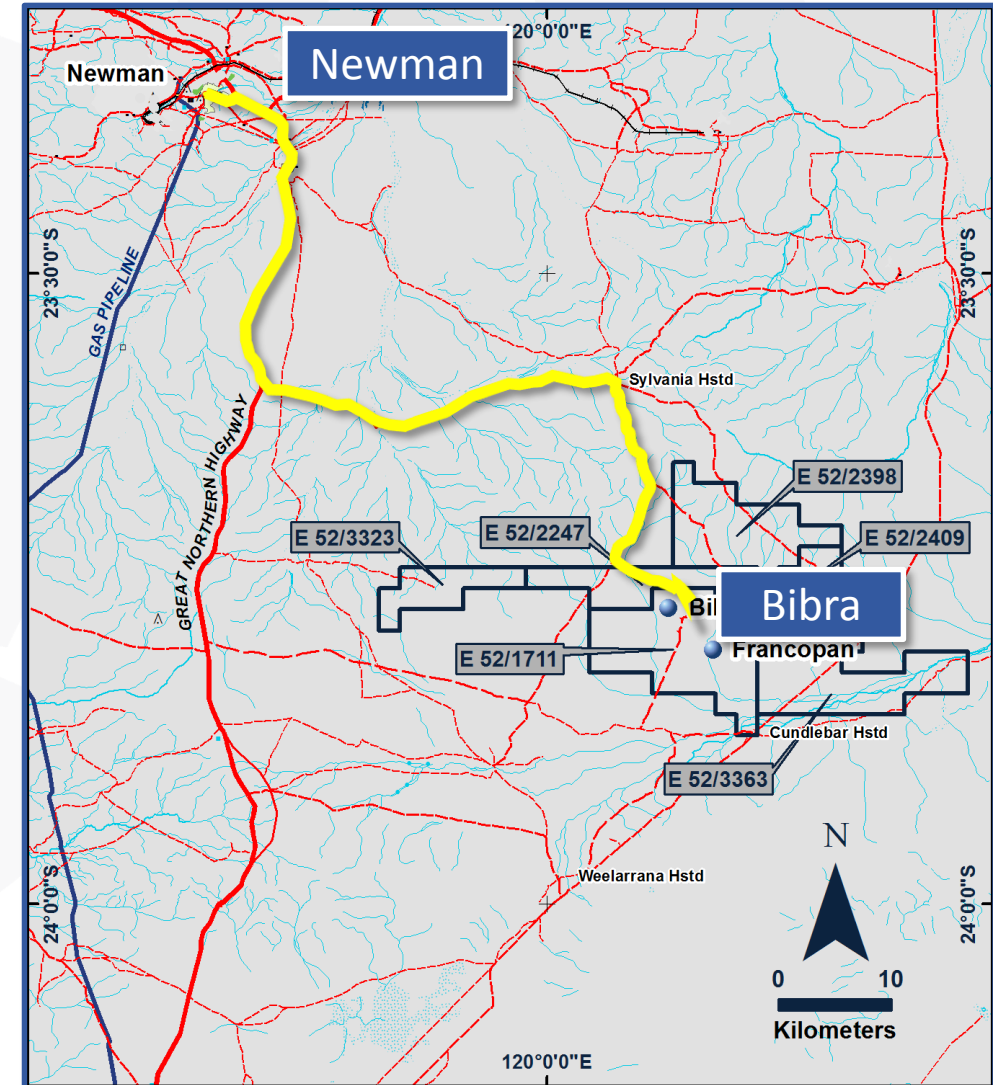
Karlawinda Gold Project – “Forgotten Opportunity”

- Greenmount Resources Sale Agreement negotiated and signed 18th August 2015
- Initial cash payment made 15th September 2015 (Project tenements transferred to Greenmount)
- Final payment of \$1.5m due 18th August 2016
- BHPB Royalty:
 - 2% Net Smelter Return
- BHPB Claw-back Right:
 - If >5Moz gold resource and/or 120kt nickel resource can buy back 70% interest at 3x costs
- Malagasy Minerals / Greenmount Resources merger completed 3rd February 2016



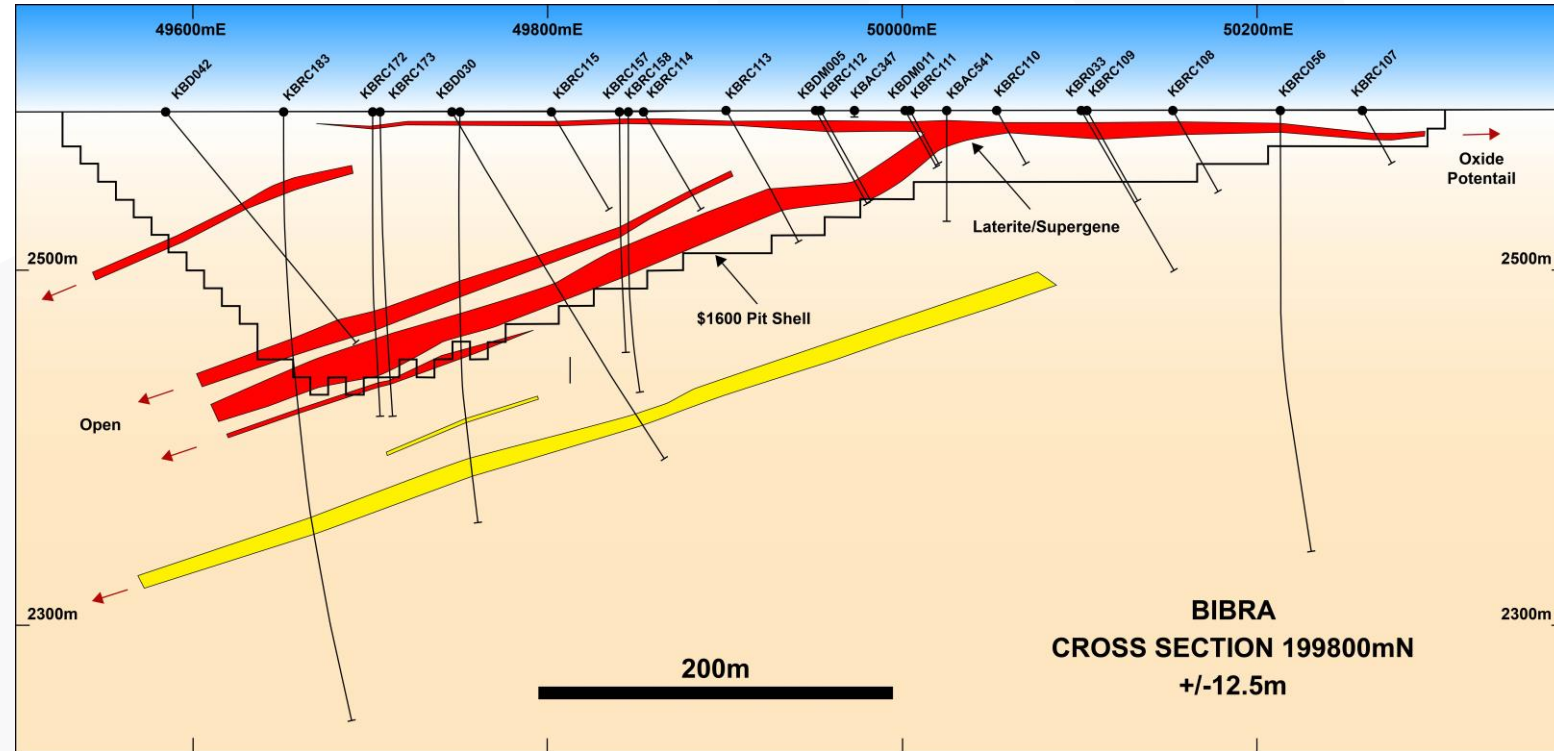
Karlawinda Gold Project – Key Metrics

- 60km from premier WA mining town
 - Major infrastructure: sealed roads, airport, gas pipeline
 - Comprehensive mining services



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- Bibra Deposit: “Virgin” resource with no legacy issues
 - Mineralisation starts near surface / Flat dipping geometry / Low stripping ratio (4:1)
 - Thick, continuous tabular gold mineralisation: “typical Archaean shear-hosted gold deposit”



Drill intersections examples:

- KBRC064: 45m @ 1.5g/t Au (includes 19 metres @ 2.4g/t Au)
- KBRC092: 32m @ 2.2g/t Au (includes 9 metres @ 3.8g/t Au)
- KBRC005: 37m @ 1.8g/t Au (includes 14 metres @ 3.1g/t Au)
- KBRC064: 18m @ 2.0g/t Au (includes 7 metres @ 4.4g/t Au)

Karlawinda Gold Project – Key Metrics

- JORC Compliant Inferred Resource*
 - 18mt @ 1.1g/t Au for 650,880oz gold to a depth of 230m
 - Resource lies within much larger mineralised envelope
 - **Early drill opportunity to significantly expand in-pit resource**

Mineralisation Type	Tonnes (Mt)	Au (g/t) Cut	Ounces
Laterite	2.1	1.2	82,900
Upper Saprolite	0.8	0.9	21,700
Lower Saprolite	2.3	1.2	88,900
Transitional	1.3	1.1	46,800
Sub Total	6.5	1.1	240,300
Fresh	11.5	1.1	410,500
Total Inferred	18.0	1.1	650,800

Top Cut: 10g/t laterite, 16g/t main ore body

Lower Cut: 0.5g/t

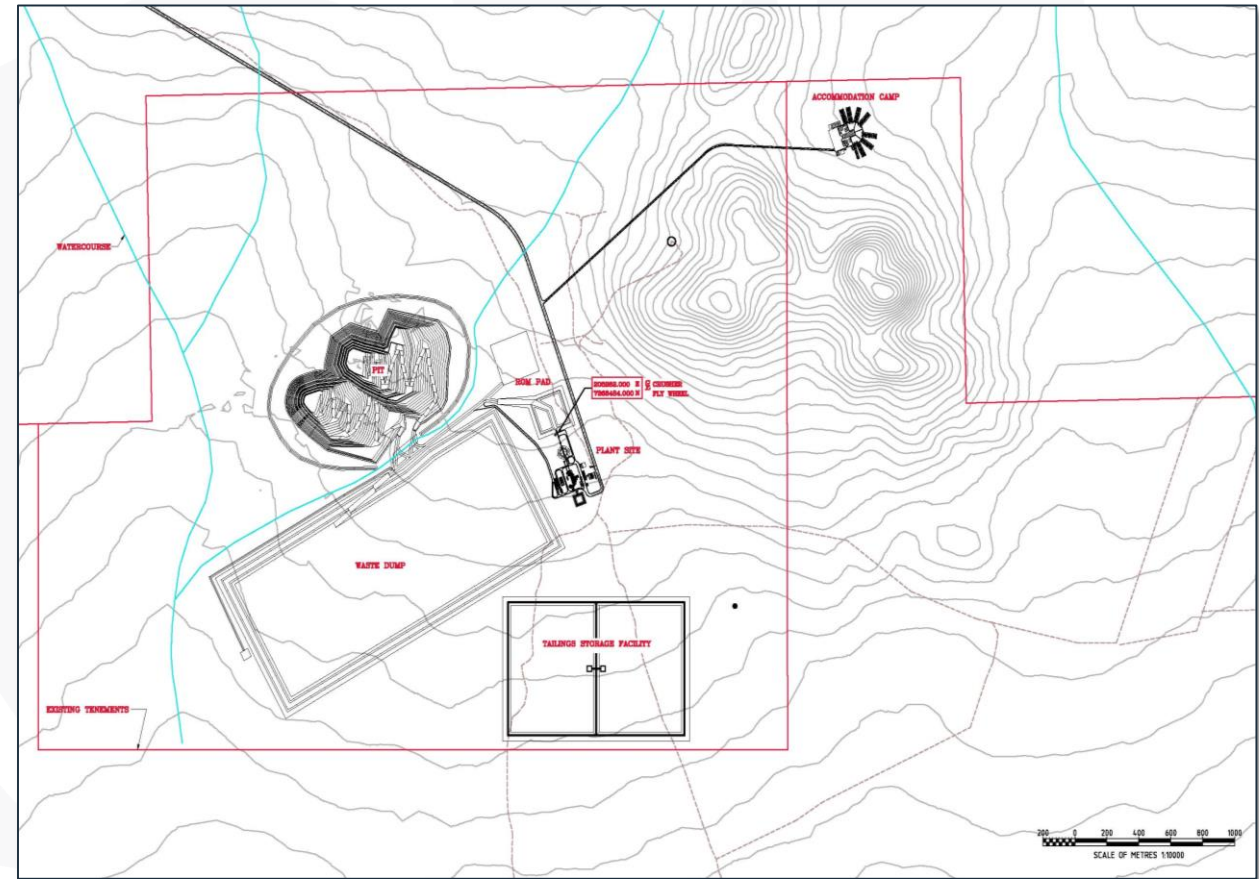
Inferred Boundary: 100m x 50m drilling spacing or closer

Pit Constraint: A\$1600/oz optimal pit shell

* See ASX announcement dated 6th October for JORC Table 1 details and drilling details

Karlawinda Gold Project – Key Metrics

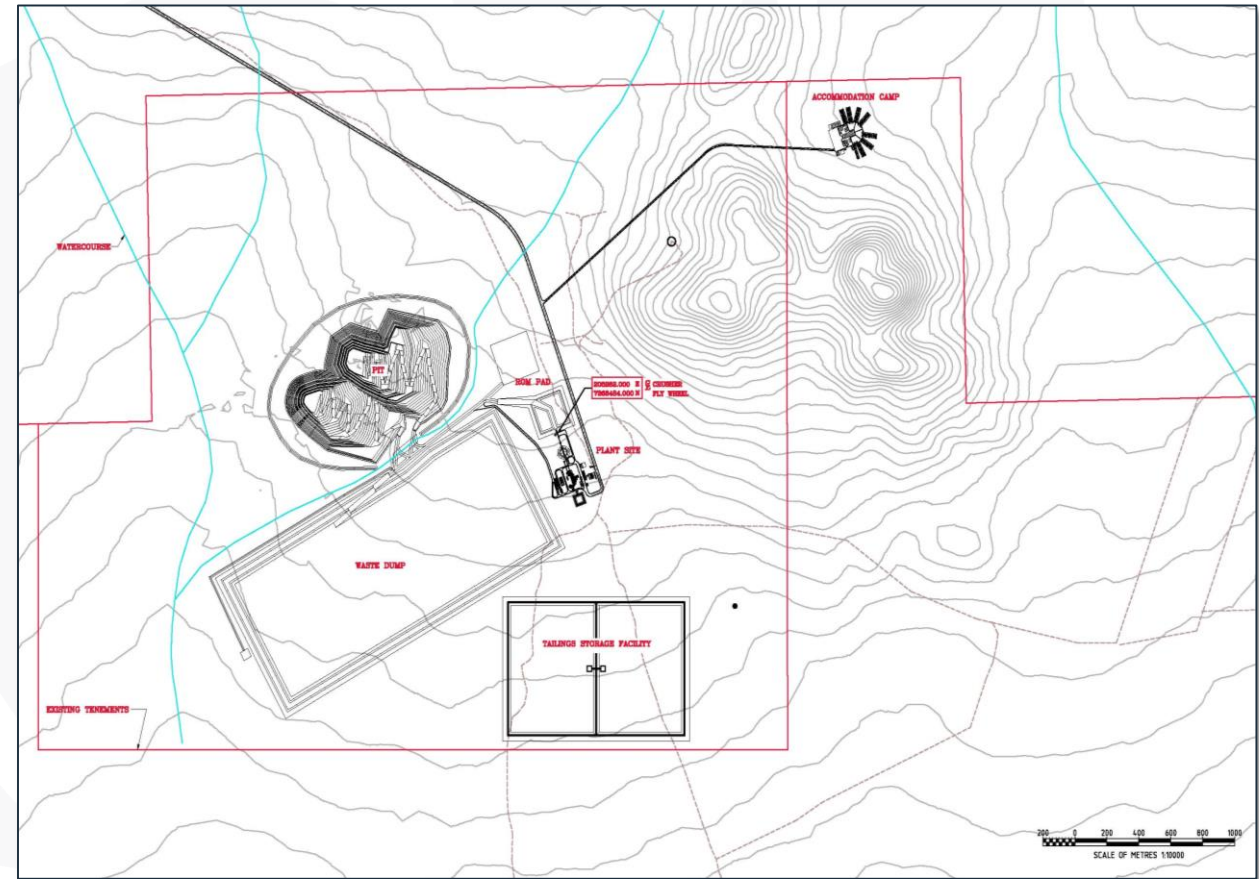
- Quality Scoping Study activities well advanced:
 - Approximately \$12m spent to date
- Resource Estimation (*Optiro*):
 - Largely drilled to 50 x 50m spacing
 - 43 diamond drill holes (5373.8m)
 - 266 reverse circulation drill holes (42,564m)
- Mining studies (*Cube Consulting*):
 - Inferred resource (18mt @ 1.1g/t Au for 650,880oz) constrained in A\$1,600 pit shell
 - Large single 3-stage open pit with maximum depth of only 230m
 - Life of Mine Stripping ratio of 4:1
 - Significant amount of unclassified mineralisation within pit shell



Conceptual site layout

Karlawinda Gold Project – Key Metrics

- Metallurgy
(GR Engineering & SGS Lakefield Oretest)
 - Free-milling, good recoveries
- Geotechnical
(Peter O'Bryan & Associates)
- Process plant design
(GR Engineering)
- Hydrology
(Rockwater)
- Archaeological and ethnographic
(Terra Rosa)
- Environment
(360 Environmental & Subterranean Ecology)

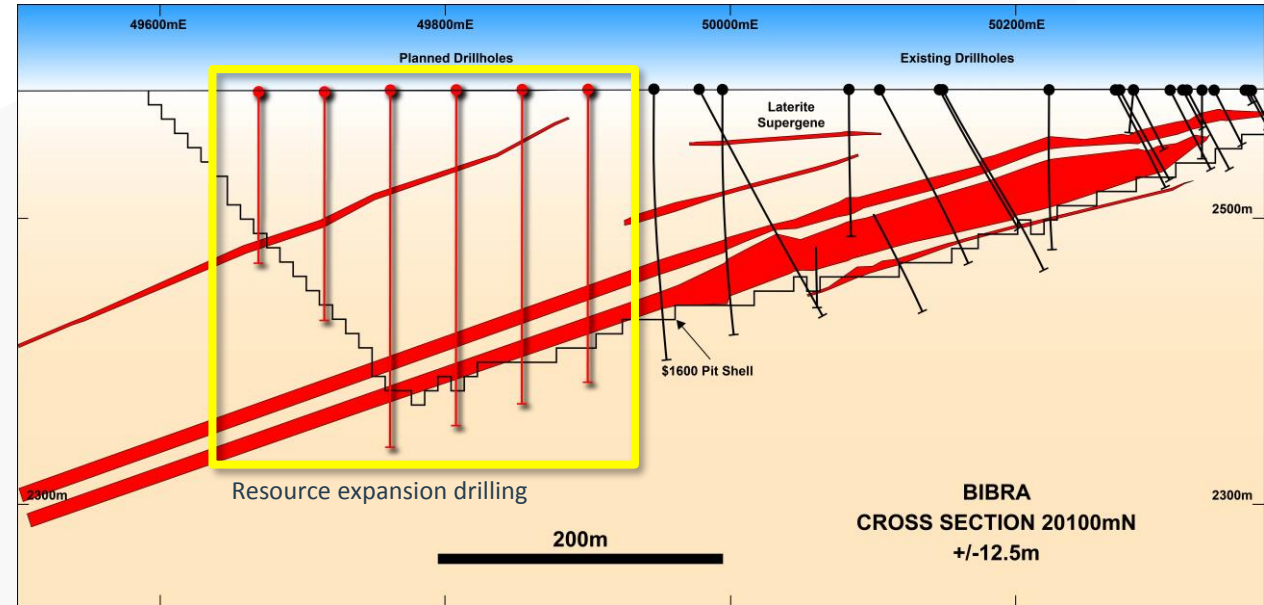


Conceptual site layout

Strategy & Activities – “In-Pit” Resource Expansion

Bibra Gold Deposit

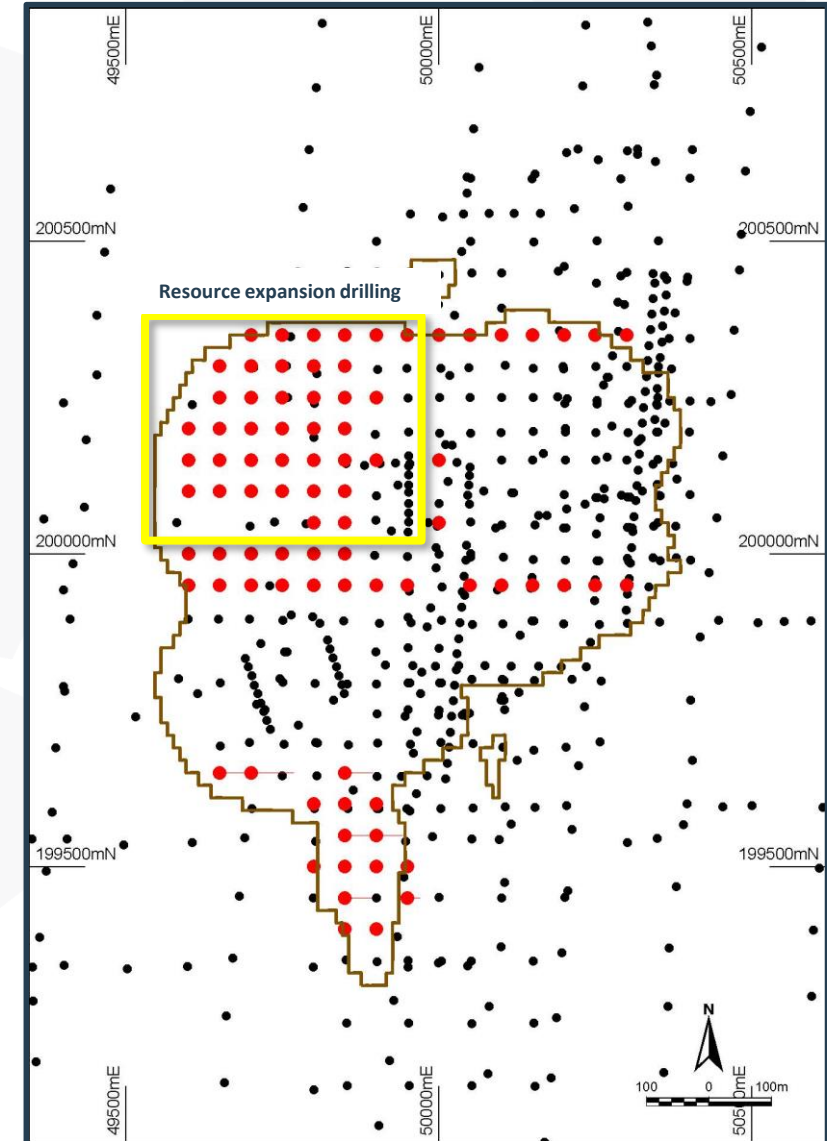
- Expand in-pit resources:
 - 8000m RC drilling program (48 holes)
 - All statutory approvals in place
 - No heritage or environmental issues
 - Drilling and laboratory contracts awarded
 - Major opportunity to increase inferred resources within A\$1600 pit shell
 - Aiming for updated resource by June 2016
- Review and build on Scoping Study information:
 - Already in a well advanced position
 - Gap analysis – What do we need to do to bring this to feasibility study standard?
 - 2016 – lower CAPEX environment
 - Transition to a feasibility study
- Mining Lease application process underway



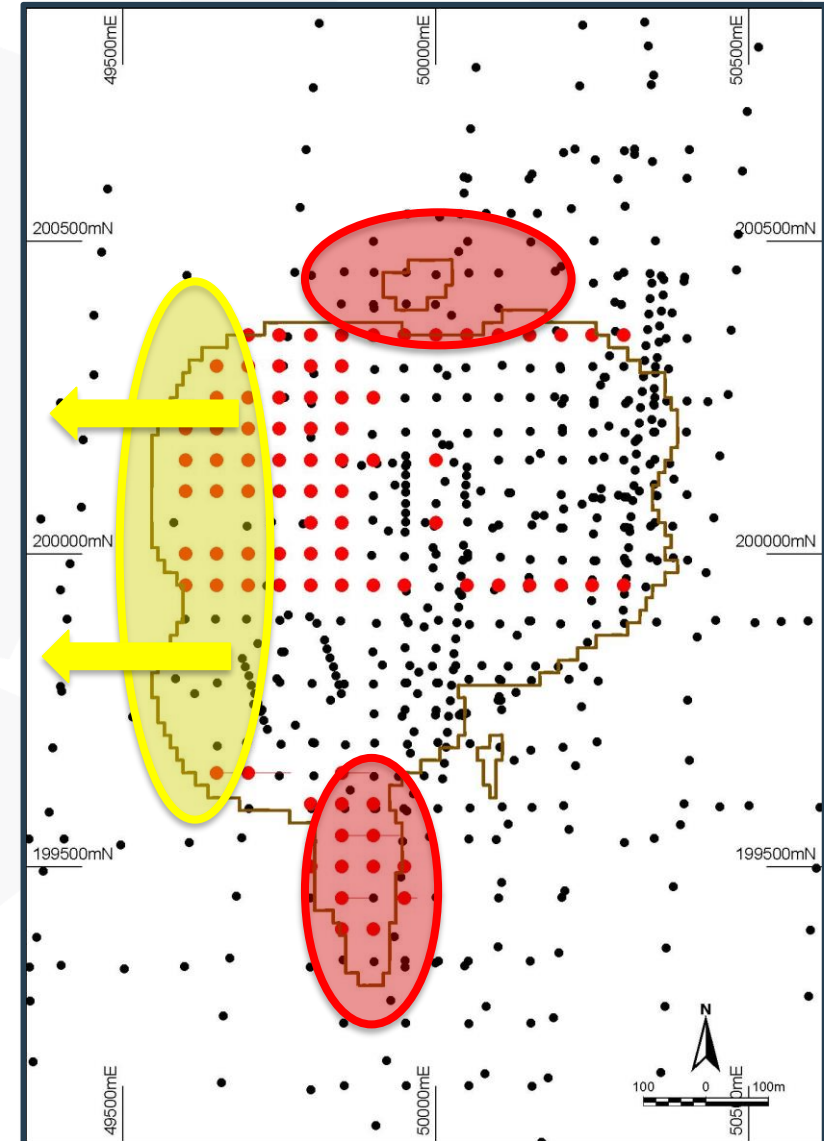
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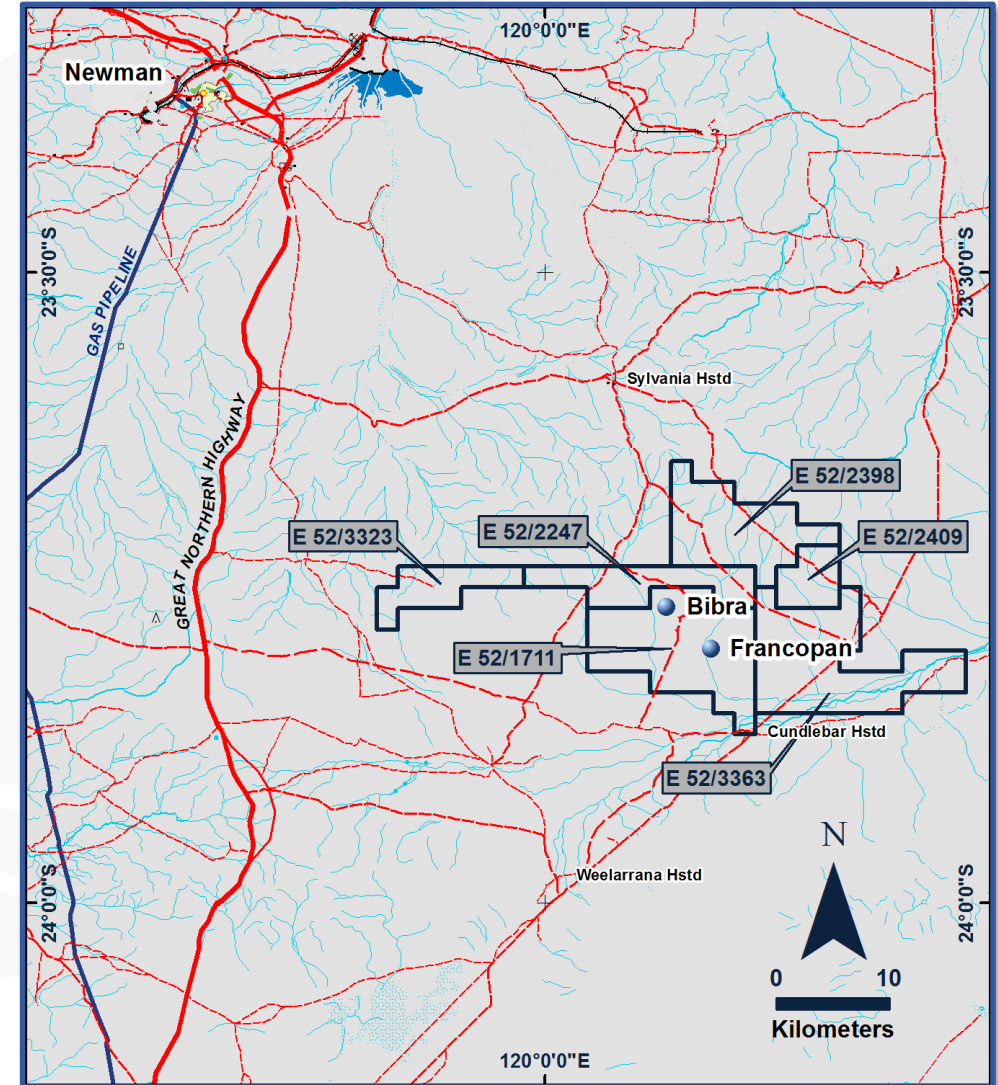
- Opportunity for major extensions to Bibra Deposit:
 - Along strike: Near-surface opportunities
 - Down-dip: Immediate extensions
 - Down-dip: High-grade shoots identified
 - At depth: Potential for stacked lodes
- Define large-scale mineralisation controls
 - Is this part of a larger gold mineralized system?
 - Targeting major high-grade deposits
- Develop concepts and targets for future drill testing



Strategy & Activities – Exploration

Regional

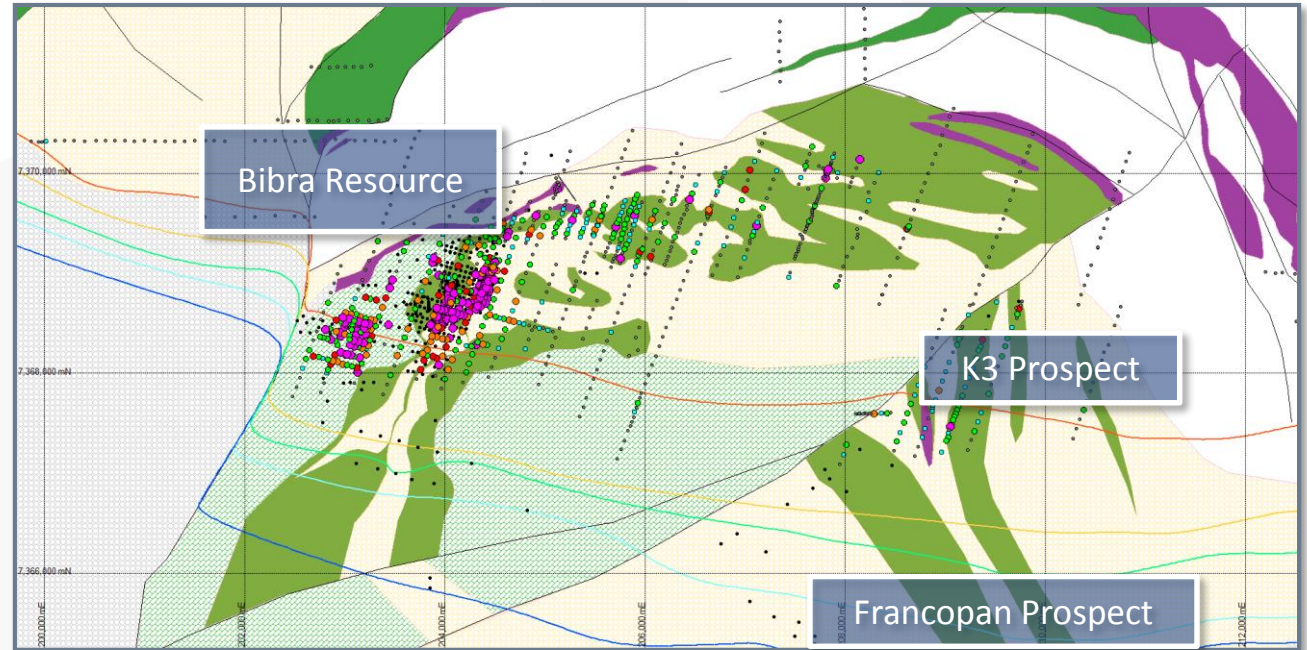
- Simple, consolidated, low-cost tenement package
- Large areas of Archaean greenstone under cover:
 - Shallow recent transported sediments
 - Bangemall Basin
- Comprehensive database for drill targeting:
 - 36,000m aircore drilling
- Two high priority prospects:
 - Francopan Prospect
 - K3 Prospect
- Development of programs underway



Strategy & Activities – Exploration

Regional

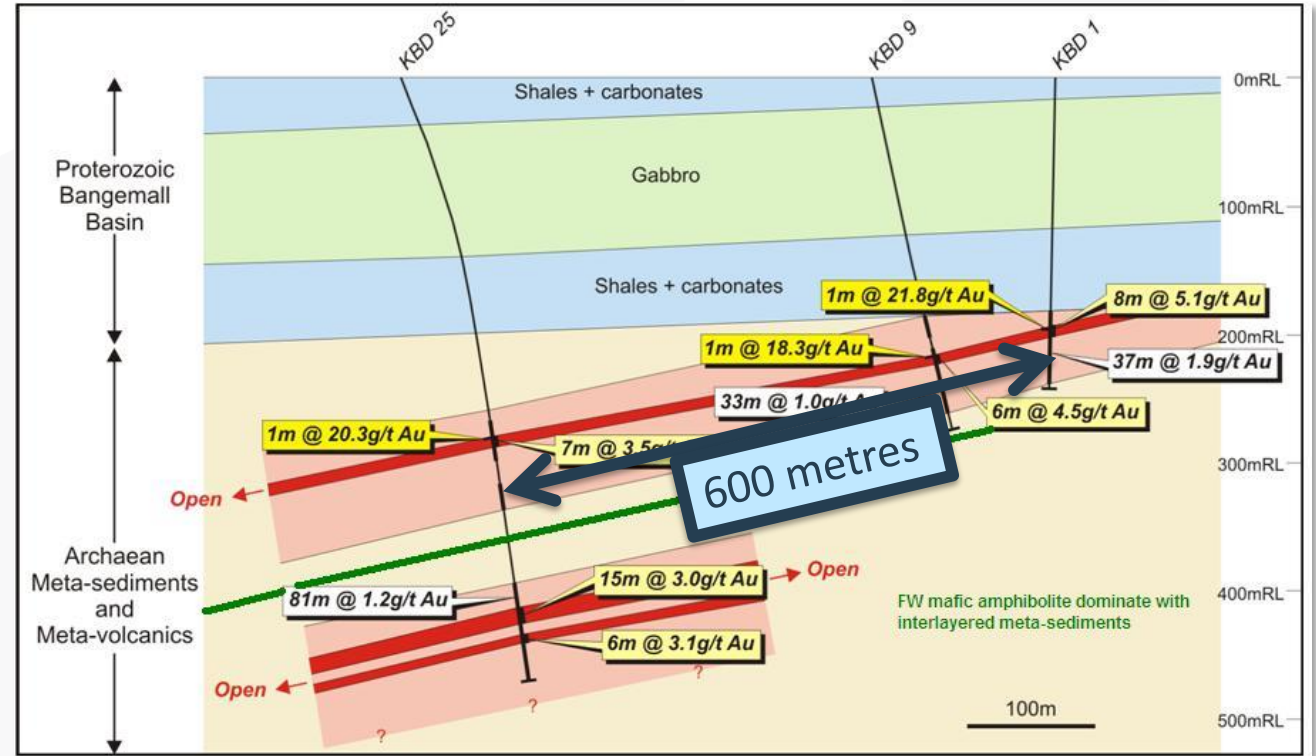
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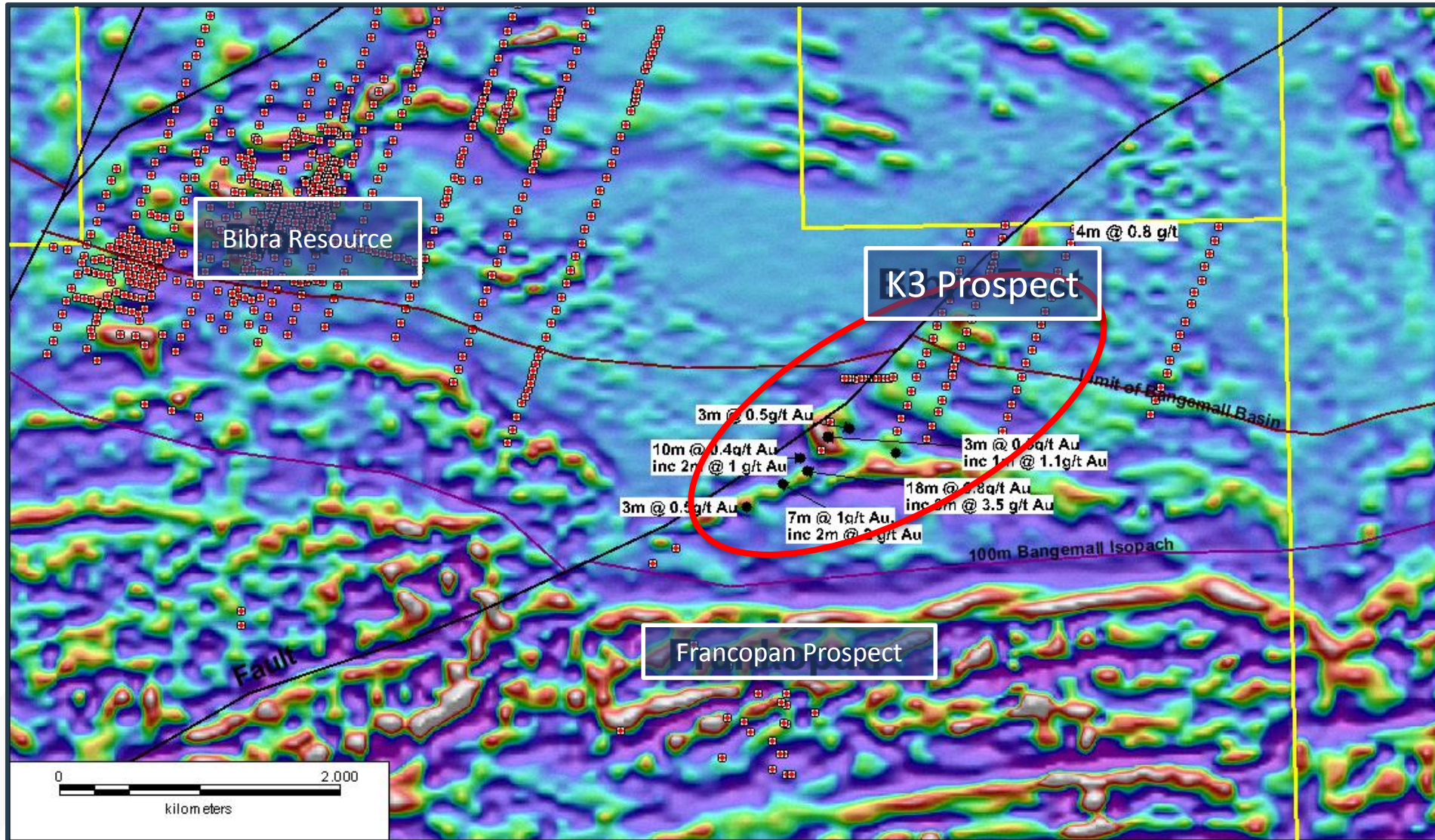
Francopan Prospect

- Original discovery by WMC Resources
- Limited wide spaced drilling
- Consistently mineralised: BIG SYSTEM?
- Broad mineralised zones with higher grade core:
 - KBD025: 81m @ 1.2g/t Au. Includes:
 - 7m @ 3.5g/t Au (**1m @ 20.3g/t Au**)
 - 15m @ 3.0g/t Au
 - 6m @ 3.1g/t Au
 - KBD009: 33m @ 1.0g/t Au. Includes:
 - 6m @ 4.5g/t Au (**1m @ 18.3g/t Au**)
 - KBD001: 37m @ 1.9g/t Au
 - 8m @ 5.1g/t Au (**1m @ 21.8g/t Au**)
- OPPORTUNITY TO DEFINE HIGH GRADE UNDERGROUND RESOURCE



Strategy & Activities – Exploration

K3 Prospect



Summary

- Repositioned into quality WA gold opportunity
- Rapid pathway to production, risks well understood
- Resource expansion drilling program – 1 March 2016
- Resource update, Scoping Study mid-2016
- Initial funding in place – \$1.5m placement and future asset sales
- Supportive cornerstone shareholders
- Experienced management team