



CAPRICORN  
METALS LTD

ASX Code: CMM

# KARLAWINDA GOLD PROJECT

*Resources Rising Stars Conference*

*24-25<sup>th</sup> May 2016*

# Disclaimer & Competent Person Statement

This presentation contains only a brief overview of Capricorn Metals Limited and its associated entities ("CAPRICORN or CML") and their respective activities and operations. The contents of this presentation, including matters relating to the geology of CML' projects, may rely on various assumptions and subjective interpretations which it is not possible to detail in this presentation and which have not been subject to any independent verification.

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The information in this presentation that relates to Mineral Resources is extracted from the Mineral Resource and Ore Reserve Statement released to the Australian Securities Exchange (ASX) on 25 October 2013 by IGO (Independence Group) and for which Competent Person's consents were obtained. The Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 25 October 2013 and, in the case of estimates or Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

ASX announcements are available on the Company's website at [www.capmetals.com.au](http://www.capmetals.com.au)

# Sole Focus on WA Gold

## COMPANY SNAPSHOT

- Karlawinda Gold Project is the single focus
- 650,000oz JORC compliant inferred resource at Bibra
- Clear, accelerated route to 2018 production
- \$12m spent on scoping study activities
- Potential for camp-scale exploration success
- Assets in Madagascar being divested
- Strong cornerstone support from Regis Resources (9%)
- Building a simple and highly profitable gold company

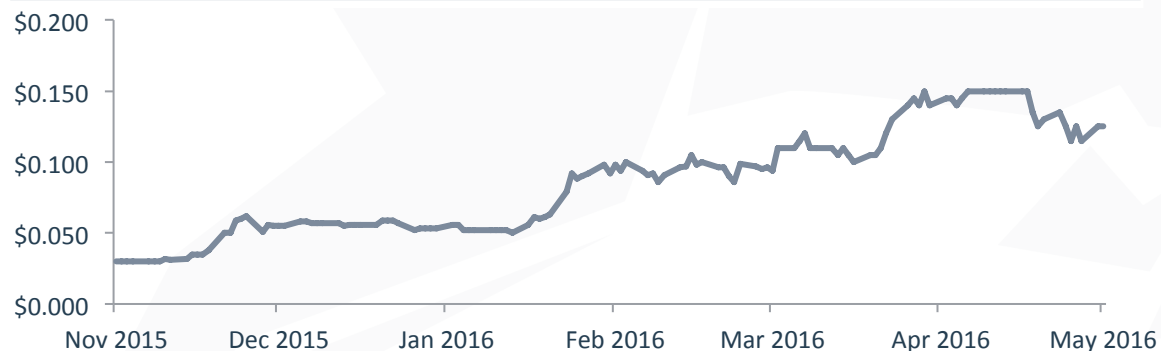


# Corporate Overview

## Corporate Information

ASX Code	CMM
Shares on Issue	487m
Share Price as at 19 May 2016	12..5c
Market Capitalisation as at 19 May 2016	\$61m
Cash as at 30 March 2016	\$13m
Unlisted options	18.8m

## 6 Month Share Price

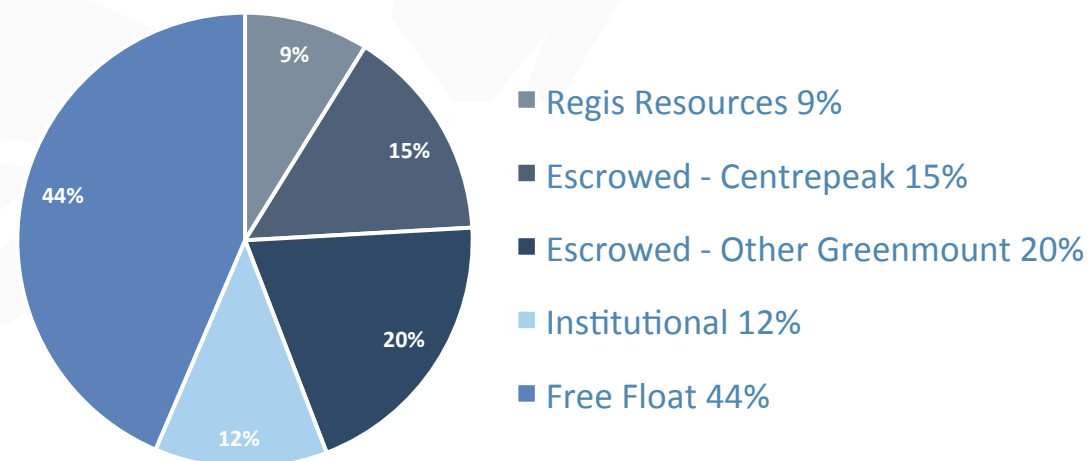


Source: IRESS

## 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>

## Shareholding Post \$12.6m Placement

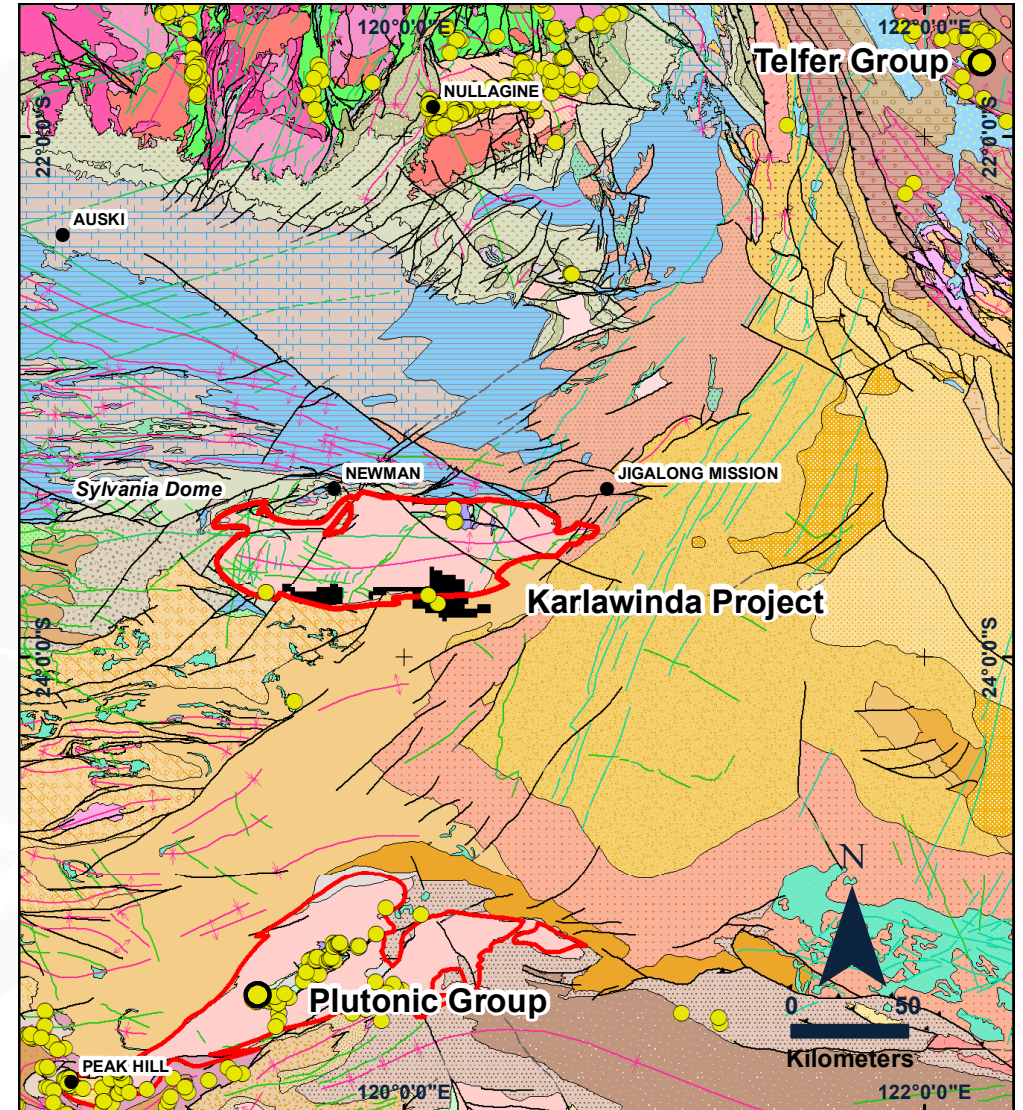




# Karlawinda Gold Project

Major Growth Project

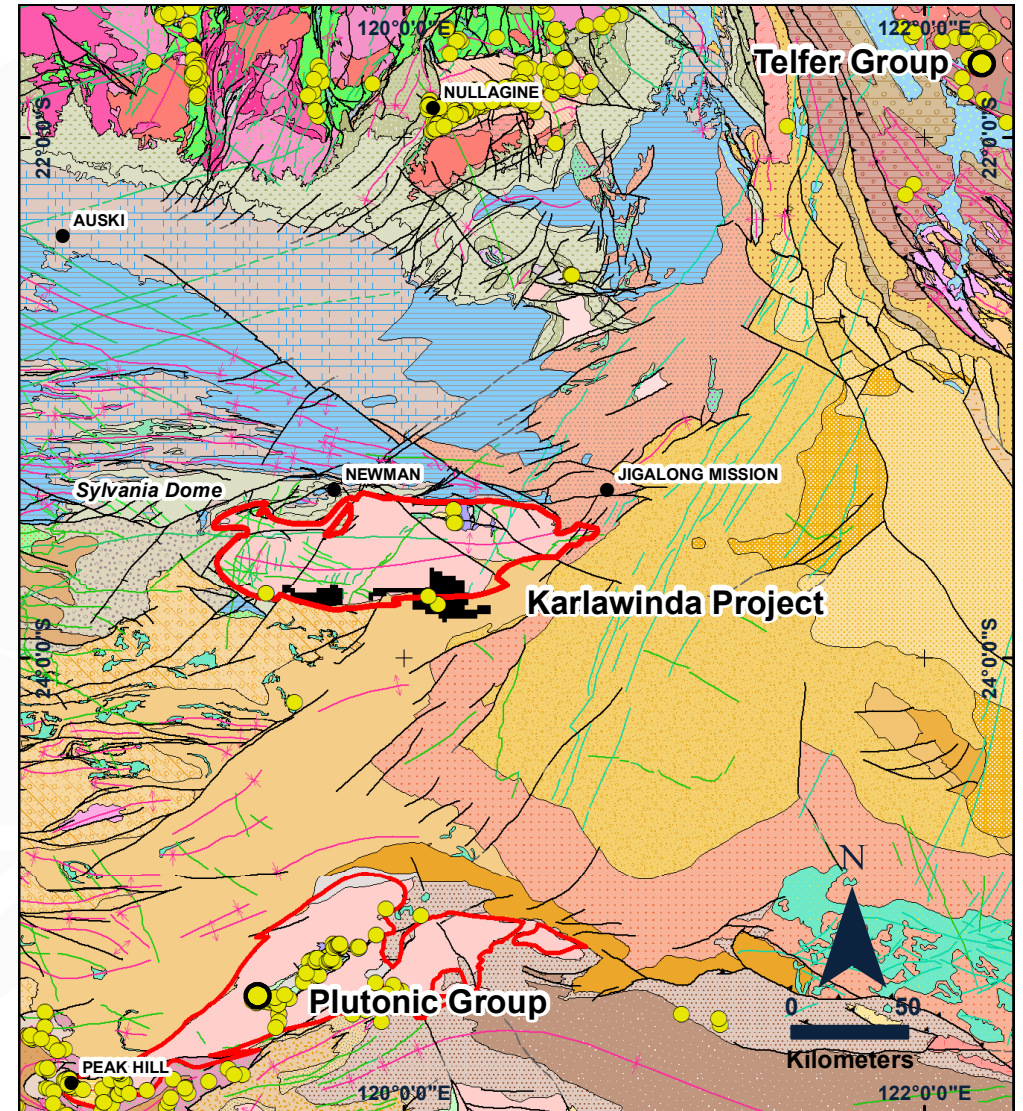
- New gold province
  - Unexplored Archaean Greenstone Belt
  - Gold first discovered in 2005 (WMC)
  - Large “Camp-Scale” exploration potential
- Advanced resource status
  - Bibra Gold Deposit:
    - Defined 650,000oz JORC inferred resource
  - \$12m spent by Independence Group (IGO)
    - Resource and exploration drilling
    - Metallurgy
    - Mining and engineering studies
  - Mining Lease pegged; application underway



# Karlawinda Gold Project

## Major Growth Project

- Resource growth
  - 9,642m RC drilling program (47 holes) by CMM
    - Mineralisation in every hole
    - Strong results first 37 holes reported
    - Matching anticipated widths and grades
    - New zones identified
  - Major opportunity to increase resources
  - Updated resource by June 2016
  - Reviewing and building on Scoping Study

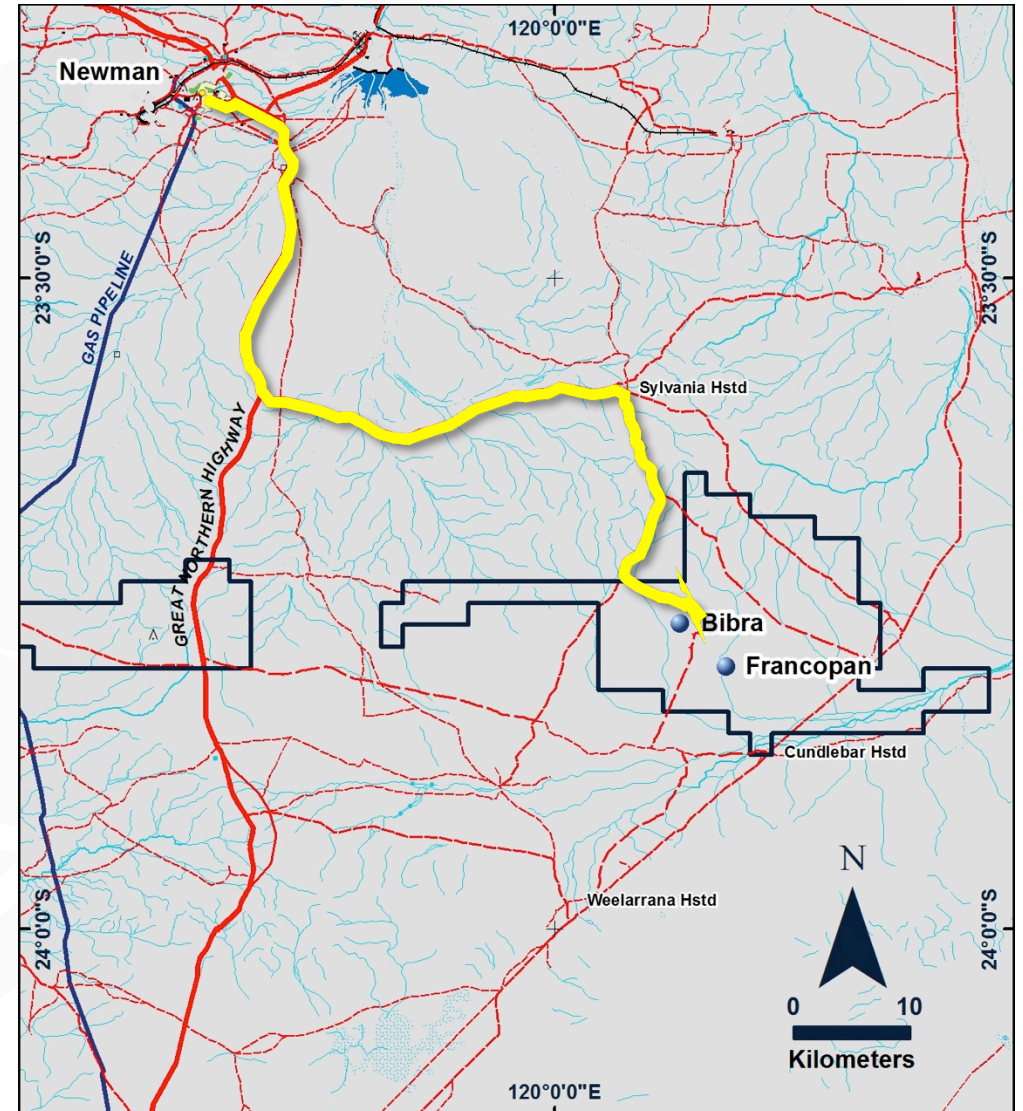




# Karlawinda Gold Project

## Major Growth Project

- Strategic Operational Advantages
  - 60km from premier WA mining centre
  - Major infrastructure
  - Sealed roads, airport (daily flights), mining services
  - Single Native Title Claimant Group
  - Low CAPEX environment
- Commercial
  - Residual payment: \$1.5m due August 2016 (IGO)
  - Royalty: 2% Net Smelter Royalty (South32)
  - Claw-back right: >5Moz gold and/or 120kt nickel  
Buy back 70% interest at 3x costs (BHPB)



# Karlawinda Gold Project

## Major Growth Project

- Exploration
  - Near mine expansion opportunities
  - Dedicated budget – targeting new deposits
  - Large-scale, high-grade potential
- Funding
  - Recent \$12.6 million placement
  - Cash \$13m
  - Ongoing sale of assets in Madagascar
  - Funding to end of Feasibility Study

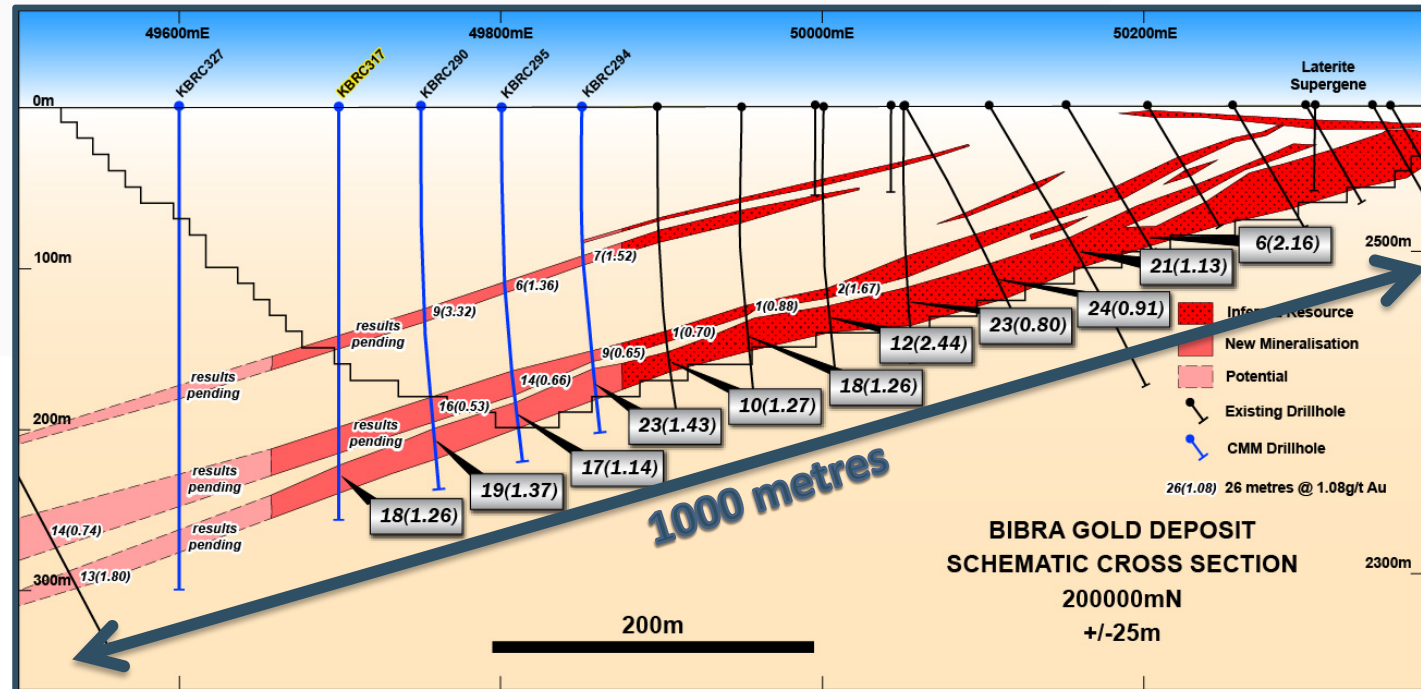




# Bibra Gold Deposit

## Quality, large-scale open pit opportunity

- JORC Compliant Inferred Resource:
  - 18 million tonnes @ 1.1g/t Au for 650,880oz
- “Virgin” resource with no legacy issues
- Mineralisation starts near surface:
  - Laterite and oxide resource at surface
  - Shallow dipping geometry
  - Low stripping ratio (4:1)
- Thick, continuous, tabular gold mineralisation
- Development of hanging wall lode structures
- High ounces per vertical metre
- CIL processing:
  - Metallurgical testwork: free milling / good recoveries
- Opportunity for major resource growth!**



# Bibra Gold Deposit

Quality, large-scale open pit opportunity

- JORC Compliant Inferred Resource\*
  - 18mt @ 1.1g/t Au for 650,880oz gold to a depth of 230m
  - 240,300oz of near surface laterite and saprolite resource (top 65 metres)
  - Resource lies within much larger mineralised envelope
  - Early drilling sets basis for a significantly expanded 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
<b>Sub Total</b>	<b>6.5</b>	<b>1.1</b>	<b>240,300</b>
Fresh	11.5	1.1	410,500
<b>Total Inferred</b>	<b>18.0</b>	<b>1.1</b>	<b>650,800</b>

Resource Estimation based on:	
43 diamond drill holes:	5,373 metres
266 RC drill holes:	42,564 metres
Drill spacing:	Inferred boundary 50 x 50 metres
Top cut:	10g/t laterite / 16g/t main ore body
Lower cut:	0.5g/t
Pit Constraint:	A\$1600/oz optimal pit shell
Review and audit:	Optiro

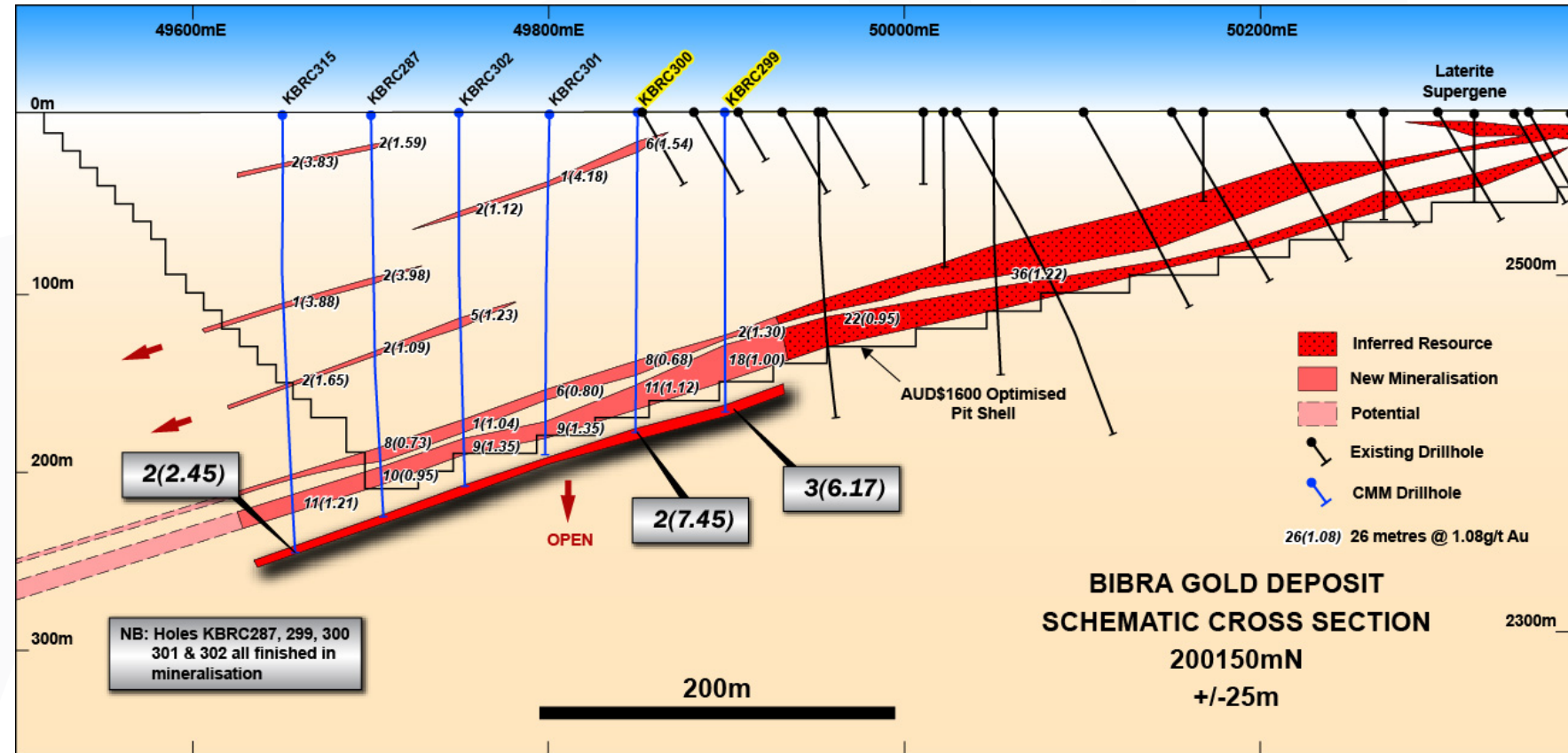
\* See ASX announcement dated 6<sup>th</sup> October 2015 for JORC Table 1 details and drilling details

# Bibra Resource – New drilling

## Recently announced drilling results:

(see ASX announcements: 13<sup>th</sup> and 22<sup>nd</sup> April 2016)

KBRC 285:	9 metres @ 5.10g/t Au from 169m 21 metres @ 1.33g/t Au from 190m
KBRC 284:	12 metres @ 1.00g/t Au from 162m 13 metres @ 1.02g/t Au from 176m
KBRC 286:	15 metres @ 1.07g/t Au from 203m
KBRC 290:	19 metres @ 1.37g/t Au from 200m 9 metres @ 3.32 g/t Au from 126m
KBRC 294:	23 metres @ 1.13g/t Au from 160m
KBRC 295:	6 metres @ 1.36g/t Au from 111m 14 metres @ 0.66g/t Au from 167m 17 metres @ 1.14g/t Au from 183m
KBRC 296:	5 metres @ 3.71g/t Au from 89m 16 metres @ 0.87g/t Au from 138m 19 metres @ 1.35g/t Au from 160
KBRC 297:	10 metres @ 1.09g/t Au from 160m 22 metres @ 1.58g/t Au from 171m



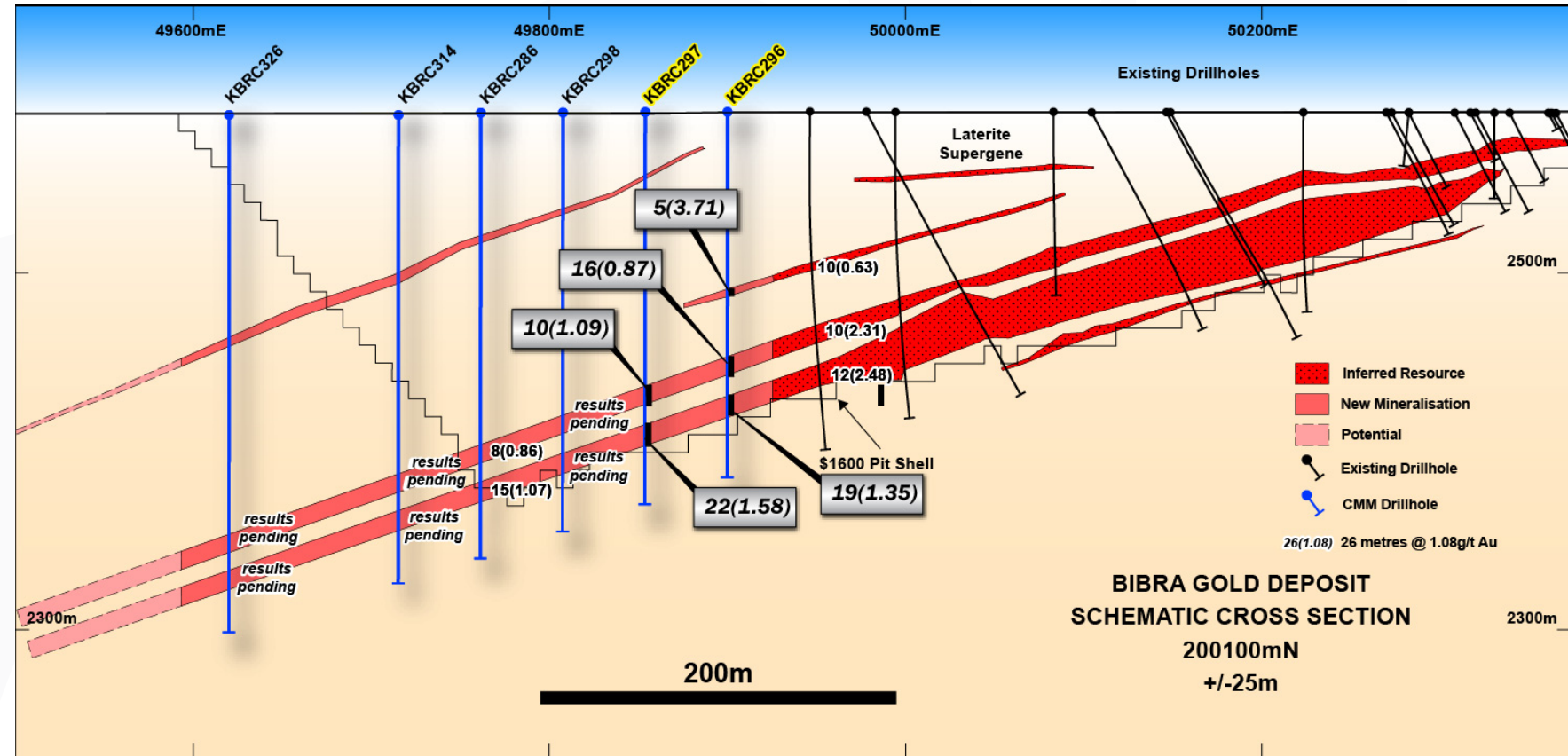


# Bibra Resource – New drilling

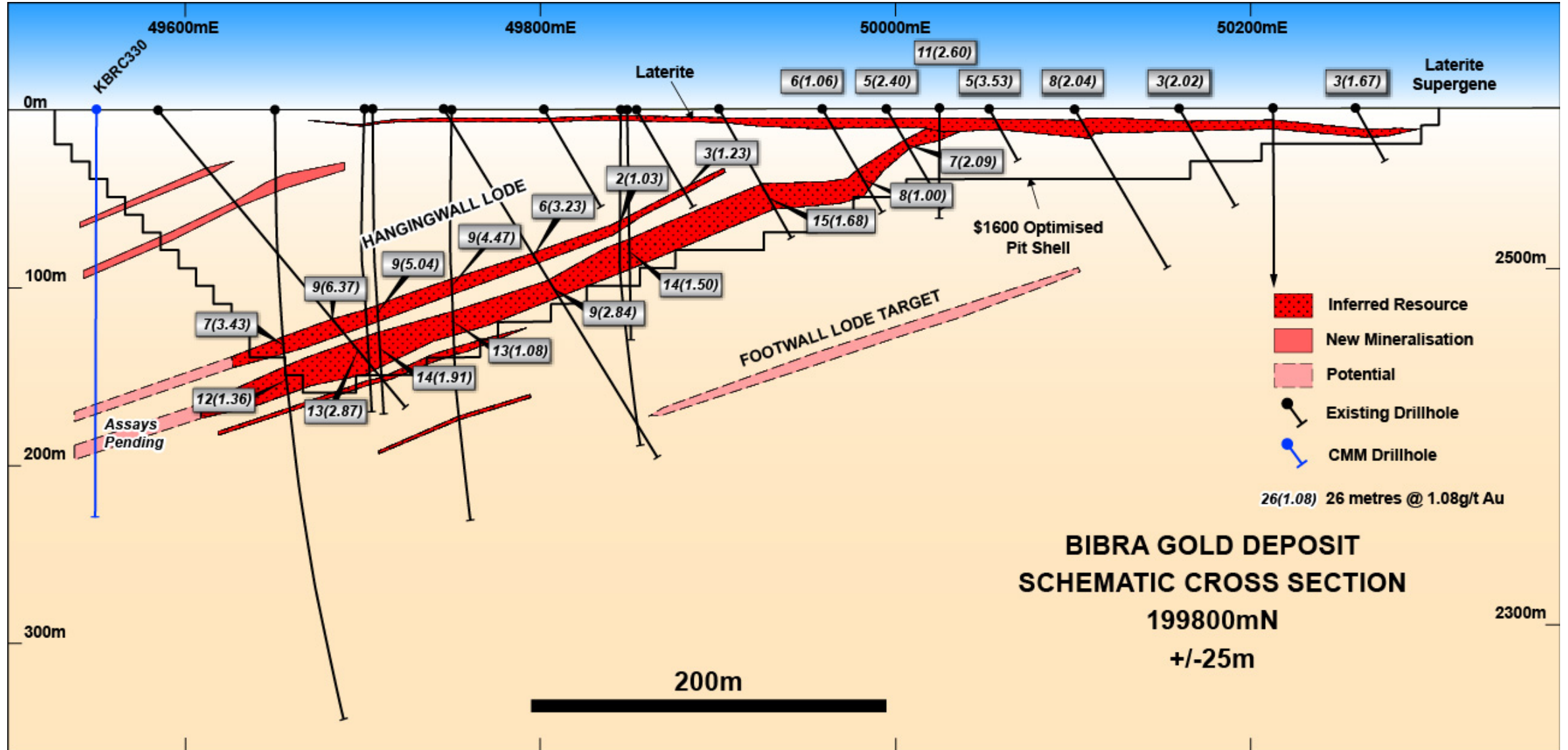
## Recently announced drilling results:

KBRC 299:	18 metres @ 1.10g/t Au from 129m 3 metres @ 1.33g/t Au from 163m
KBRC 300:	11 metres @ 1.12g/t Au from 152m 2 metres @ 7.45g/t Au from 177m
KBRC 305:	18 metres @ 1.06g/t Au from 133m
KBRC 306:	15 metres @ 1.01g/t Au from 146m
KBRC 307:	16 metres @ 1.15g/t Au from 157m
KBRC 311:	24 metres @ 1.01g/t Au from 52m
KBRC 315:	11 metres @ 1.21g/t Au from 212m
KBRC 317:	23 metres @ 1.08g/t Au from 213m*
KBRC 319:	12 metres @ 1.64g/t Au from 206m*
KBRC 320:	18 metres @ 1.01g/t Au from 183m*

(see ASX announcement: 13<sup>th</sup> May 2016)



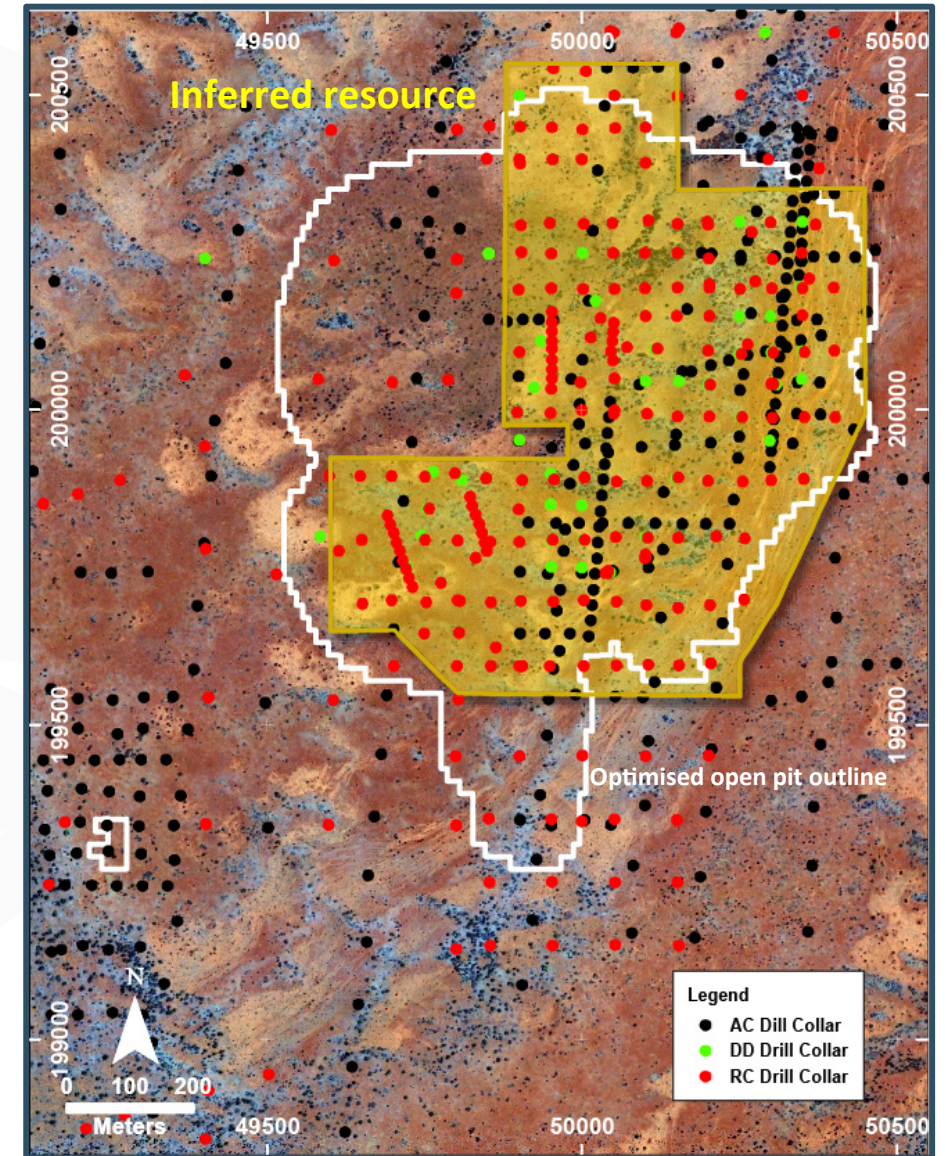
# Bibra Resource – Hanging Wall Lodes





### Current Inferred Resource

- 18,000,000 @ 1.1g/t Au for 650,800oz
- Defined by RC and diamond drilling – typically 50 x 50m
- Optimised pit utilises non-classified mineral envelope
- ONLY inferred resource within the pit reported
- Resource size within the pit limited by drilling
- Infill drilling required to classify as Measured & Indicated
- Down-dip resource expansion opportunity

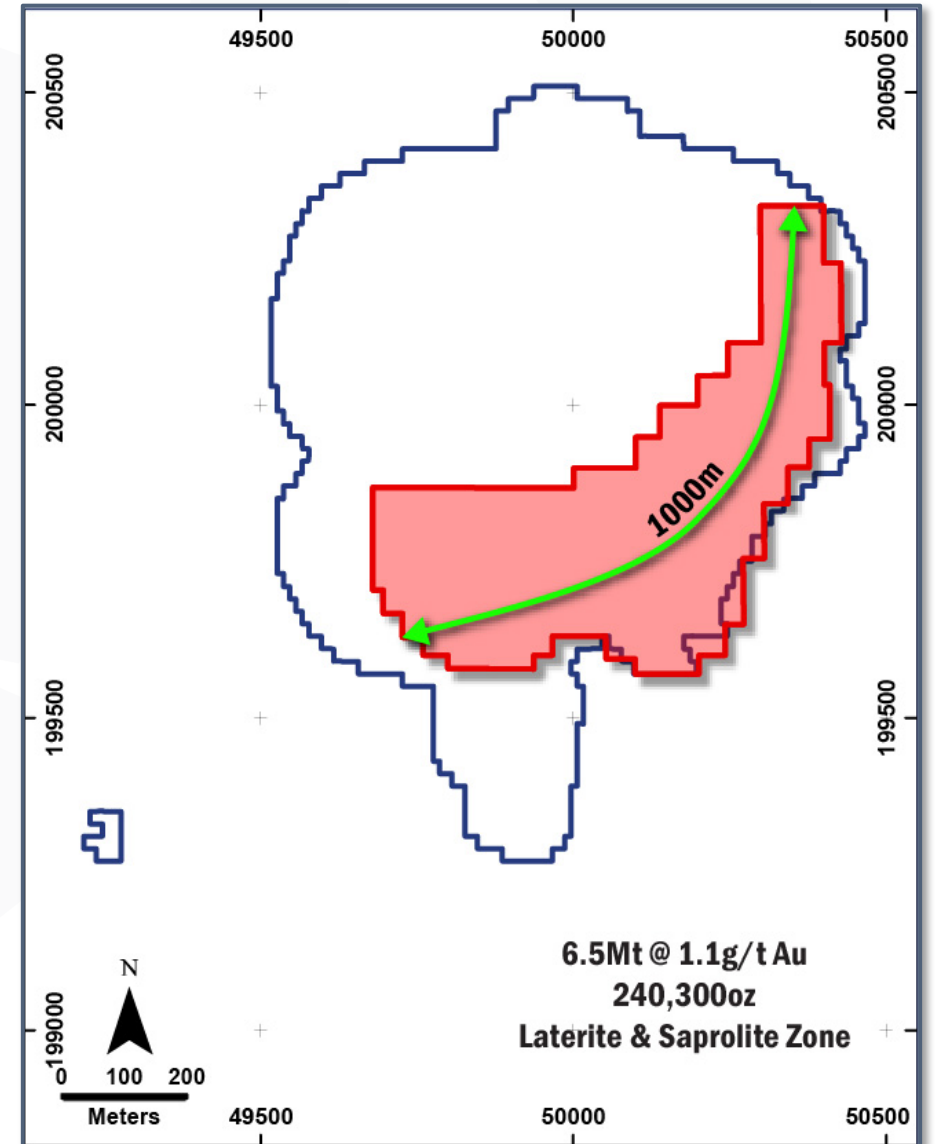


# Bibra Resource

## Three main resource domains

### Domain (1): Laterite and saprolite (oxide):

- 6,500,000 @ 1.1g/t Au for 240,300oz
- Over 1000m long and up to 500m wide
- From surface to a depth of approximately 65m
- Well defined by aircore and RC drilling
- Infill drilling required to classify as Measured and Indicated

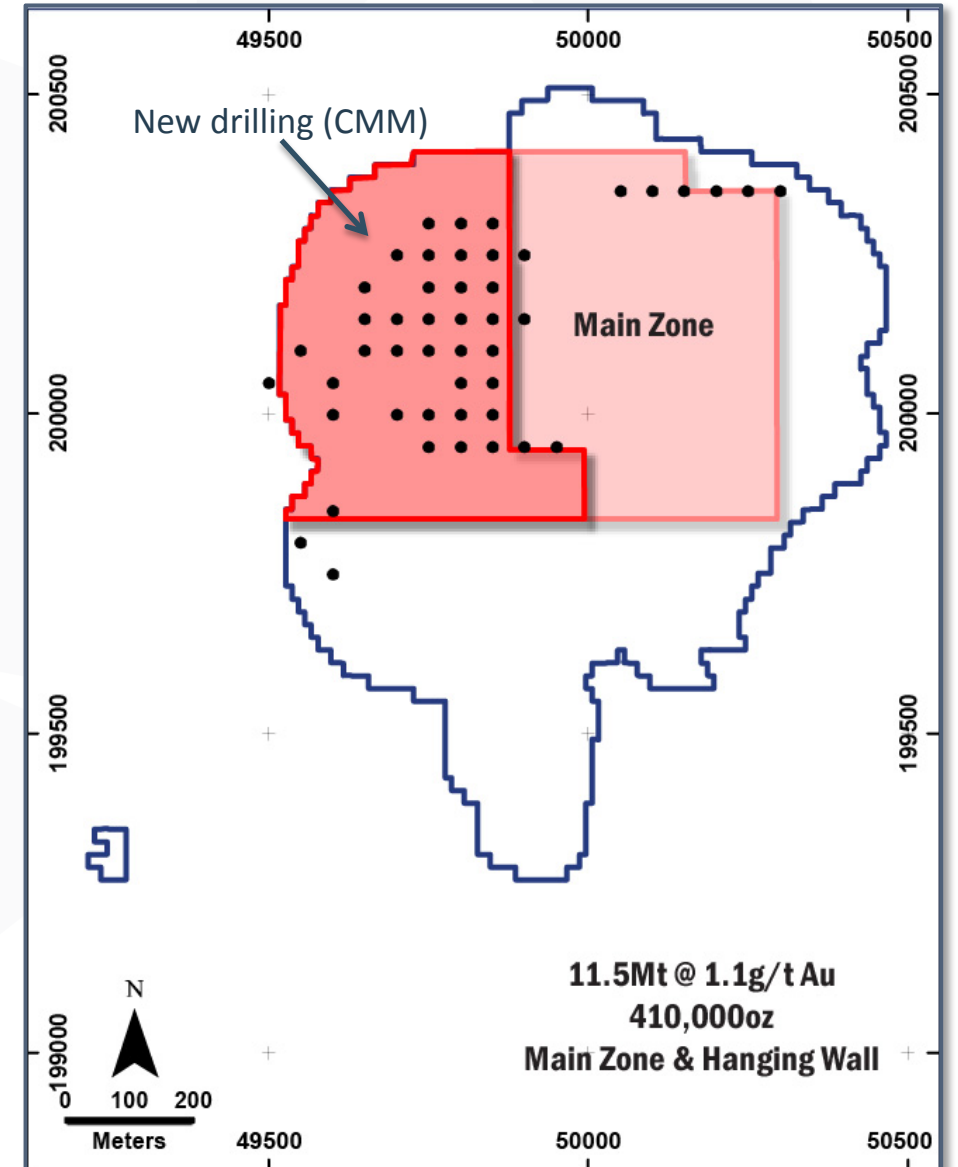


### Domains (2 & 3): Main & Hanging Wall Lodes (fresh)

- 11,500,000 @ 1.1g/t Au for 410,000oz

- **MAIN LODES**

- Resource currently defined over 700m of strike length and approximately 400m down dip
- Completed 47 hole (9,642m) RC drilling program aimed at extending resource up to 300m further down dip and with potential to extend to the south
- Mineralisation remains open with higher grade targets defined
- Potential to expand open pit to the west

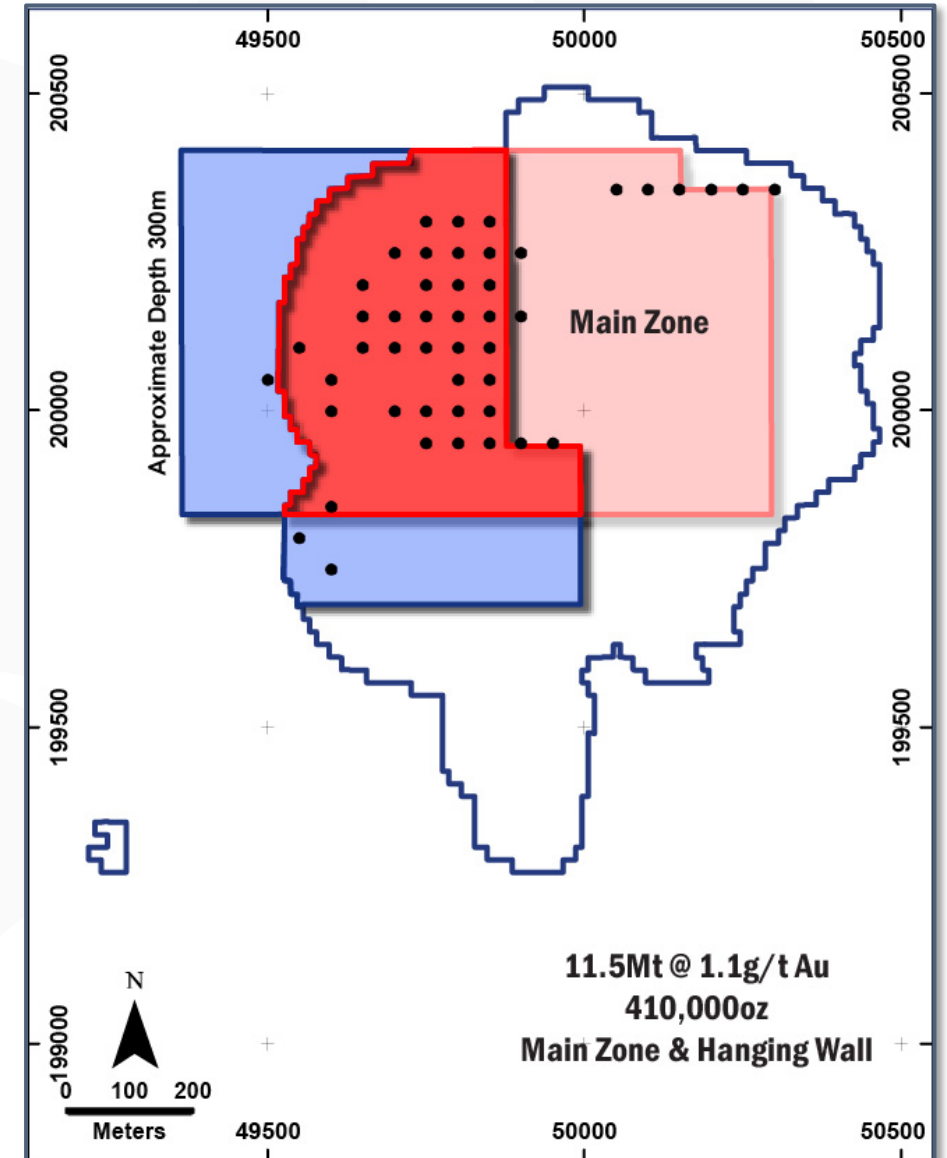


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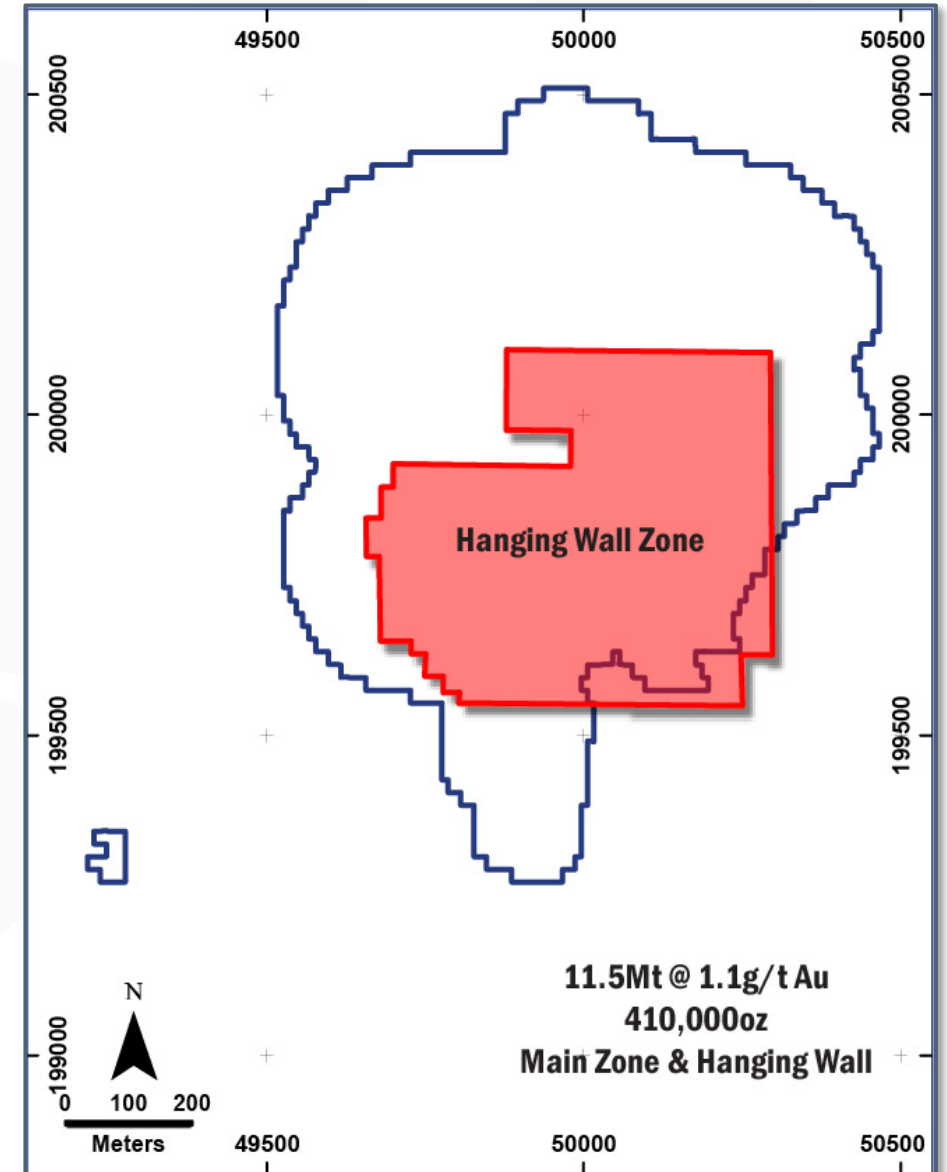


### Domains (2 & 3): Main & Hanging Wall Lodes (fresh)

- 11,500,000 @ 1.1g/t Au for 410,000oz

- **HANGING WALL LODES**

- Resource currently defined over 500m of strike length and approximately 400m down dip
- Current RC drilling program has intersected the Hanging Wall zone at least 150 metres north of the resource boundary:
  - KBRC 285: 9 metres @ 5.10g/t Au
  - KBRC 296: 5 metres @ 3.71g/t Au
- Mineralisation remains open with higher grade targets defined
- Potential to expand open pit to the west



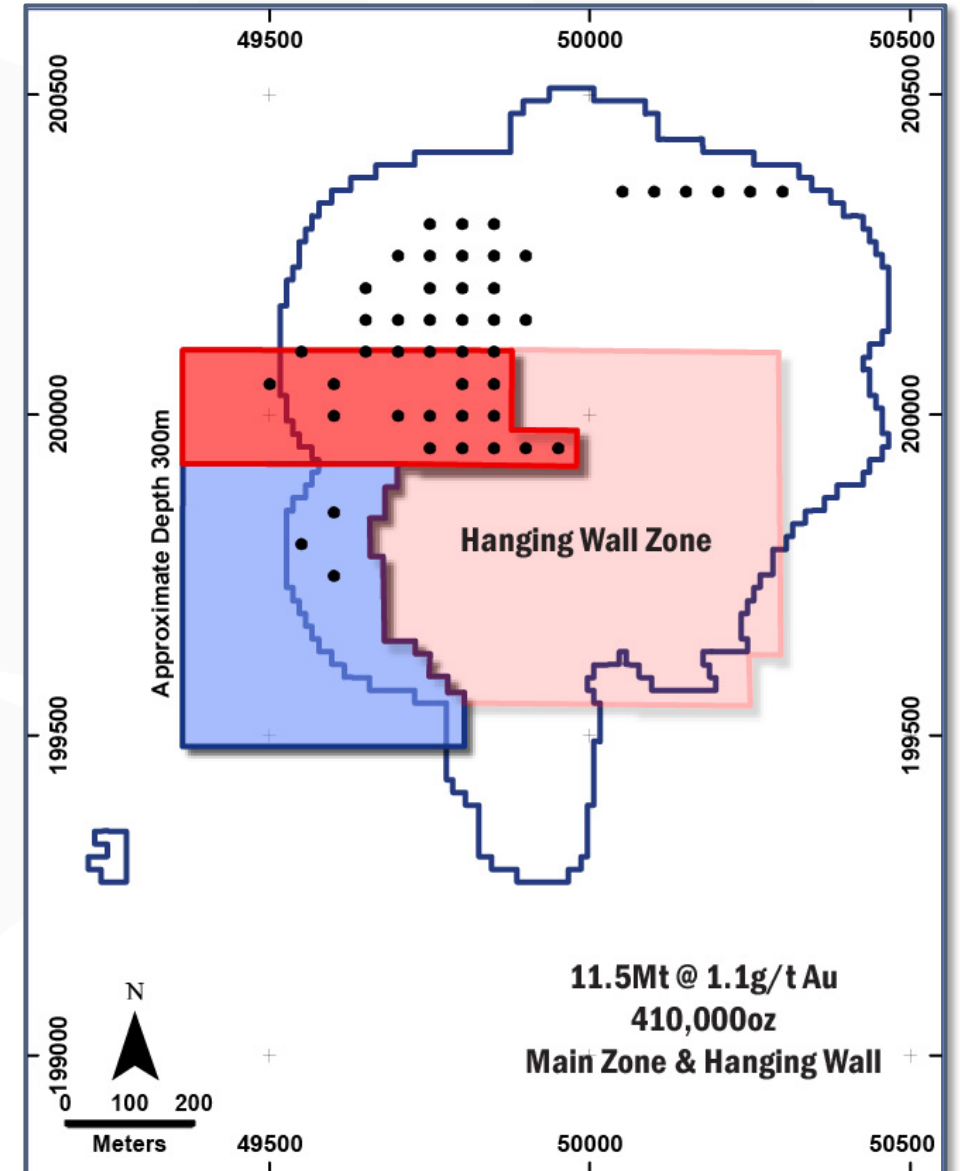


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- 
- The map displays the proposed mining site at Mt. Kumbungu. Key features include:
- WATERCOURSE:** Indicated by a blue line on the left side of the map.
  - EXISTING TENEMENTS:** Indicated by a red dashed line on the left side of the map.
  - WASTE DUMP:** A large rectangular area in the center-left of the map.
  - TAILINGS STORAGE FACILITY:** A rectangular area in the center-right of the map.
  - PLANT SITE:** A small area in the center of the map, labeled "PLANT SITE".
  - ROAD PAD:** A line connecting the plant site to the accommodation camp, labeled "ROAD PAD".
  - ACCOMMODATION CAMP:** A small area in the top right of the map, labeled "ACCOMMODATION CAMP".
  - PROPOSED ROAD:** A line connecting the plant site to the accommodation camp, labeled "PROPOSED ROAD".
  - PROPOSED TAILINGS STORAGE FACILITY:** A rectangular area in the center-right of the map, labeled "PROPOSED TAILINGS STORAGE FACILITY".
  - PROPOSED WASTE DUMP:** A large rectangular area in the center-left of the map, labeled "PROPOSED WASTE DUMP".
  - PROPOSED PLANT SITE:** A small area in the center of the map, labeled "PROPOSED PLANT SITE".
  - PROPOSED ACCOMMODATION CAMP:** A small area in the top right of the map, labeled "PROPOSED ACCOMMODATION CAMP".
- A scale bar at the bottom right indicates a scale of 1:10,000.





**NEAR TERM UPSIDE!**

**IS THIS A NEW GOLD  
PROVINCE?**

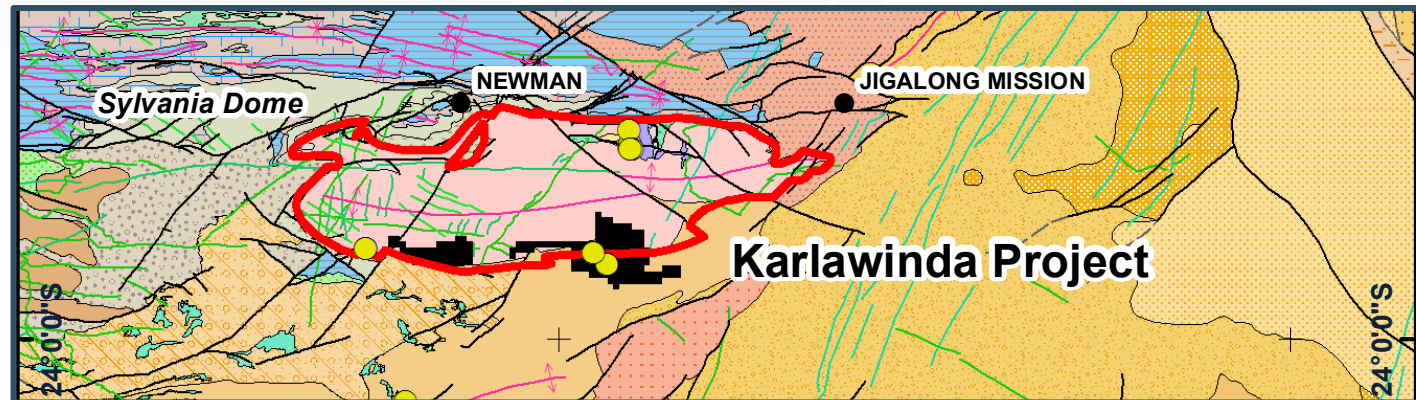
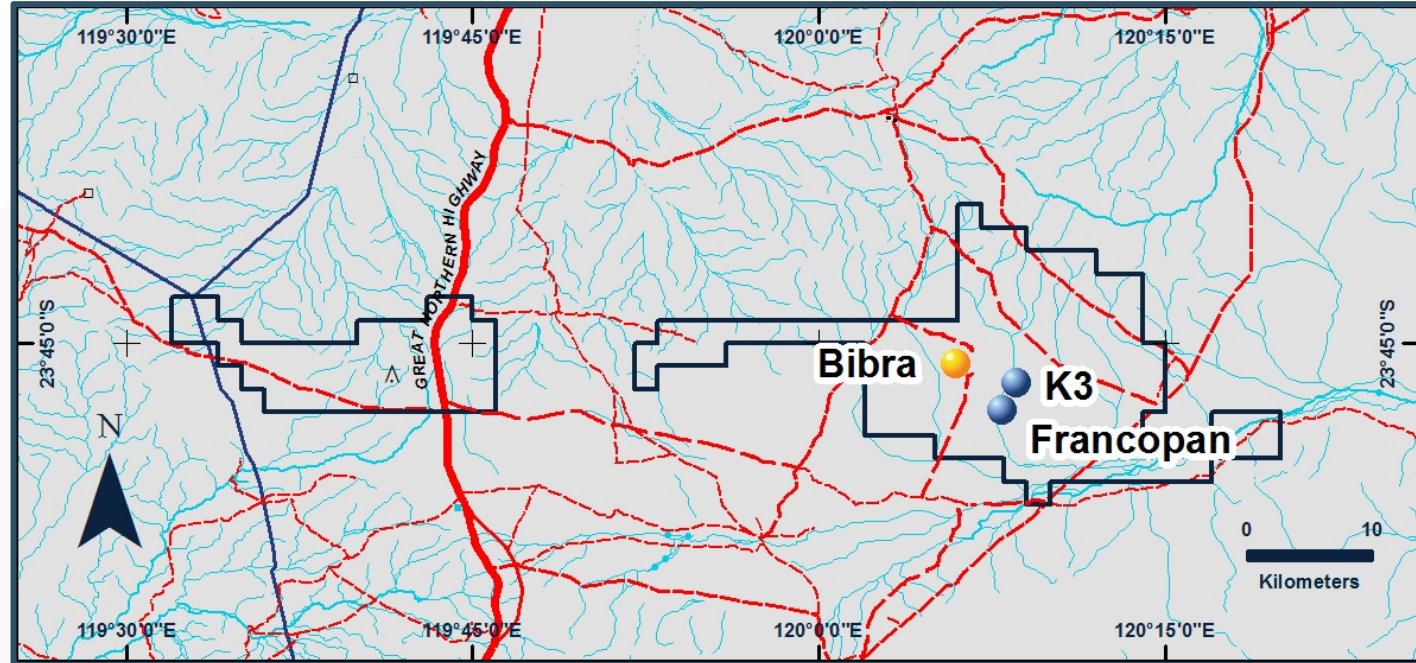




# Exploration

## Near Pit and Regional

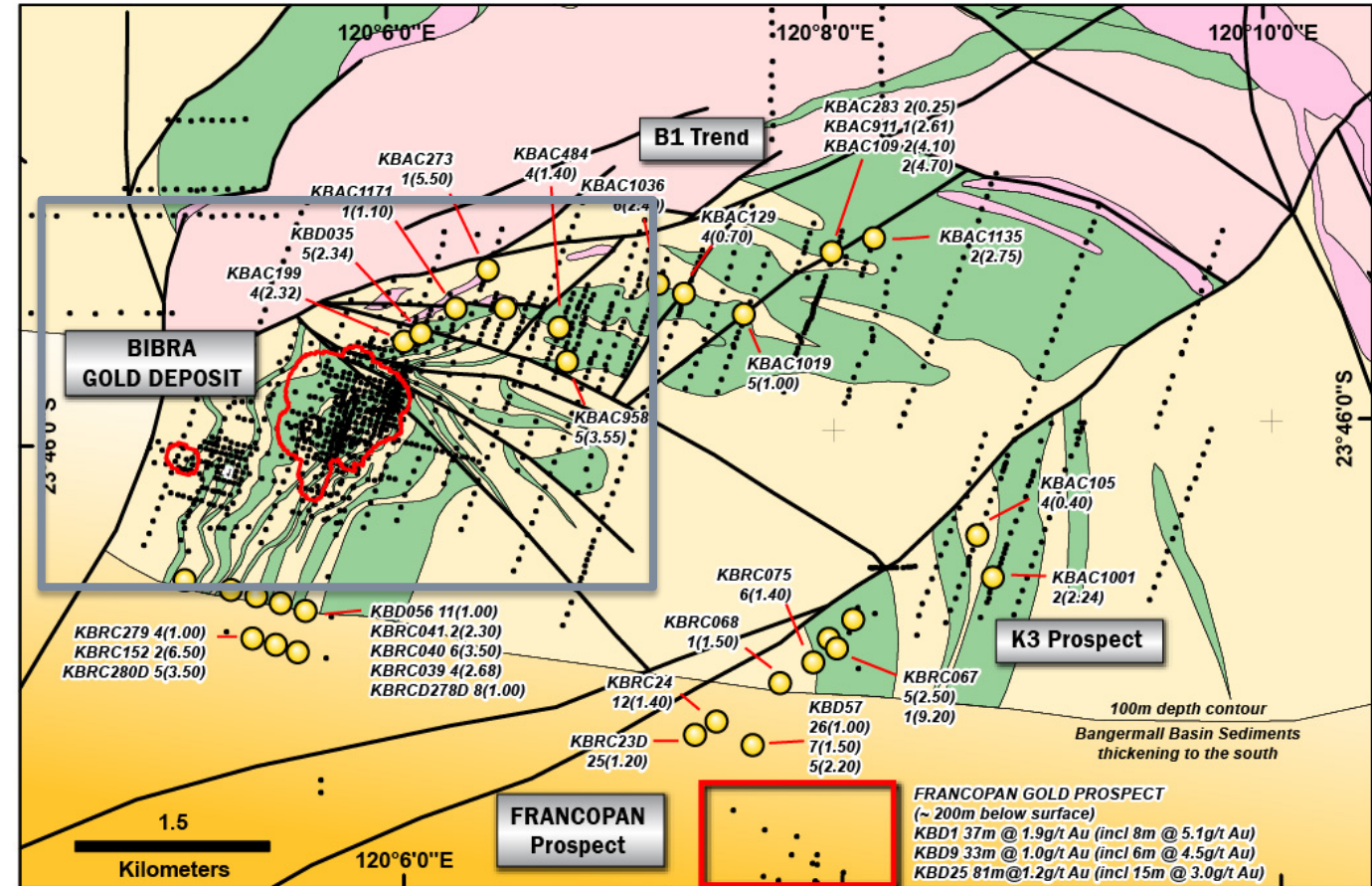
- Simple, consolidated, low-cost tenement package
- Large areas of Archaean greenstone under cover:
  - Shallow recent transported sediments
  - Bangemall Basin
- Comprehensive database for drill targeting:
  - 36,000m aircore drilling
- Numerous high priority prospects:
  - Bibra extensions
  - Francopan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



# Exploration

## Near Pit and Regional

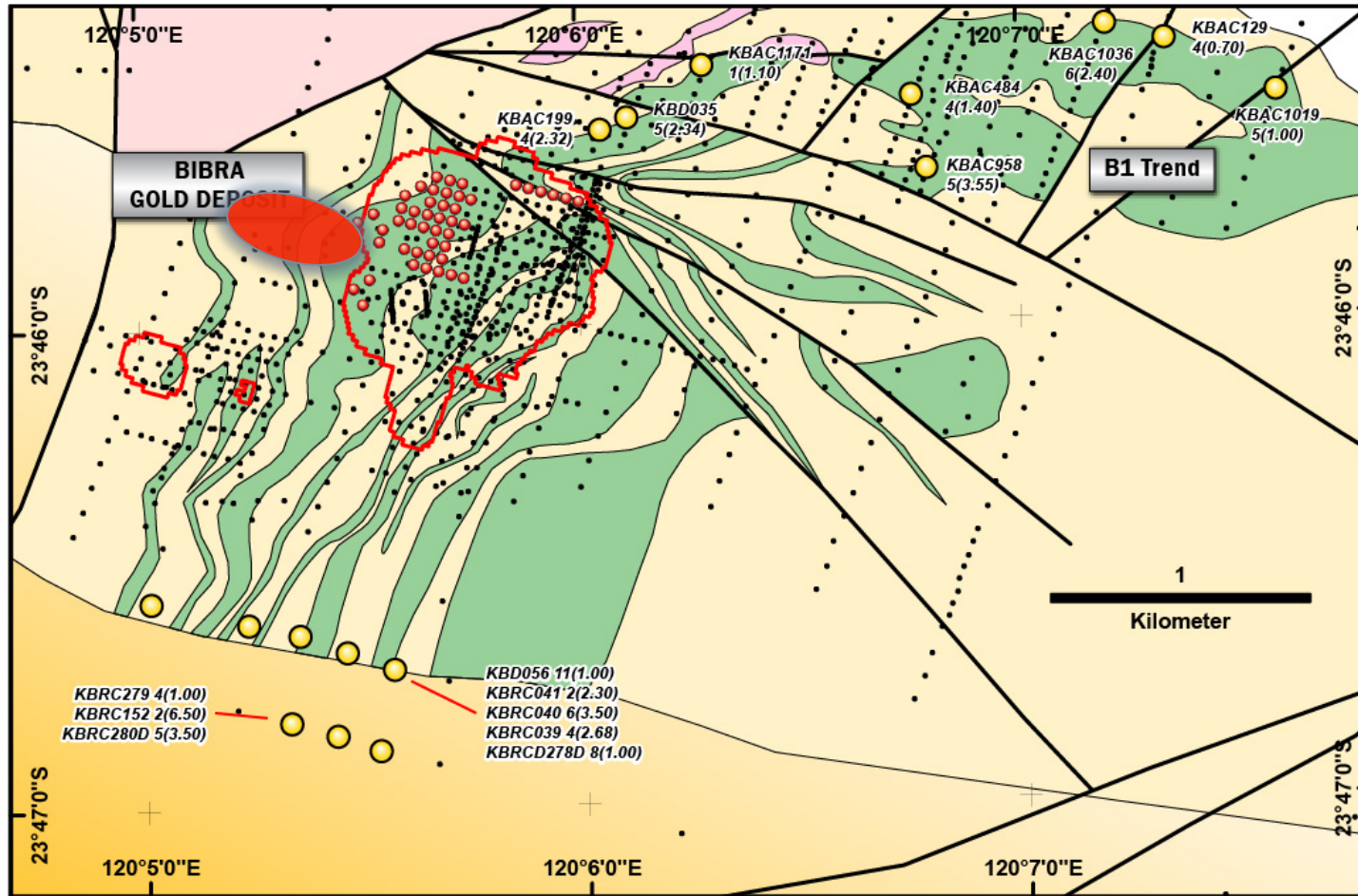
- Large-scale exploration potential within 8km of Bibra
- At least 13km of prospective geology
- Demonstrated endowment across the project area
- Excellent, but still limited database
  - Wide spaced aircore drilling
  - Area largely under transported cover
- Understanding the data
  - Old saying: *"There is a mine hidden in your data"*
- Systematic, effective exploration to run in parallel to the ongoing resource work at Bibra





# Exploration

## Near Pit and Regional



## Bibra Satellite Targets

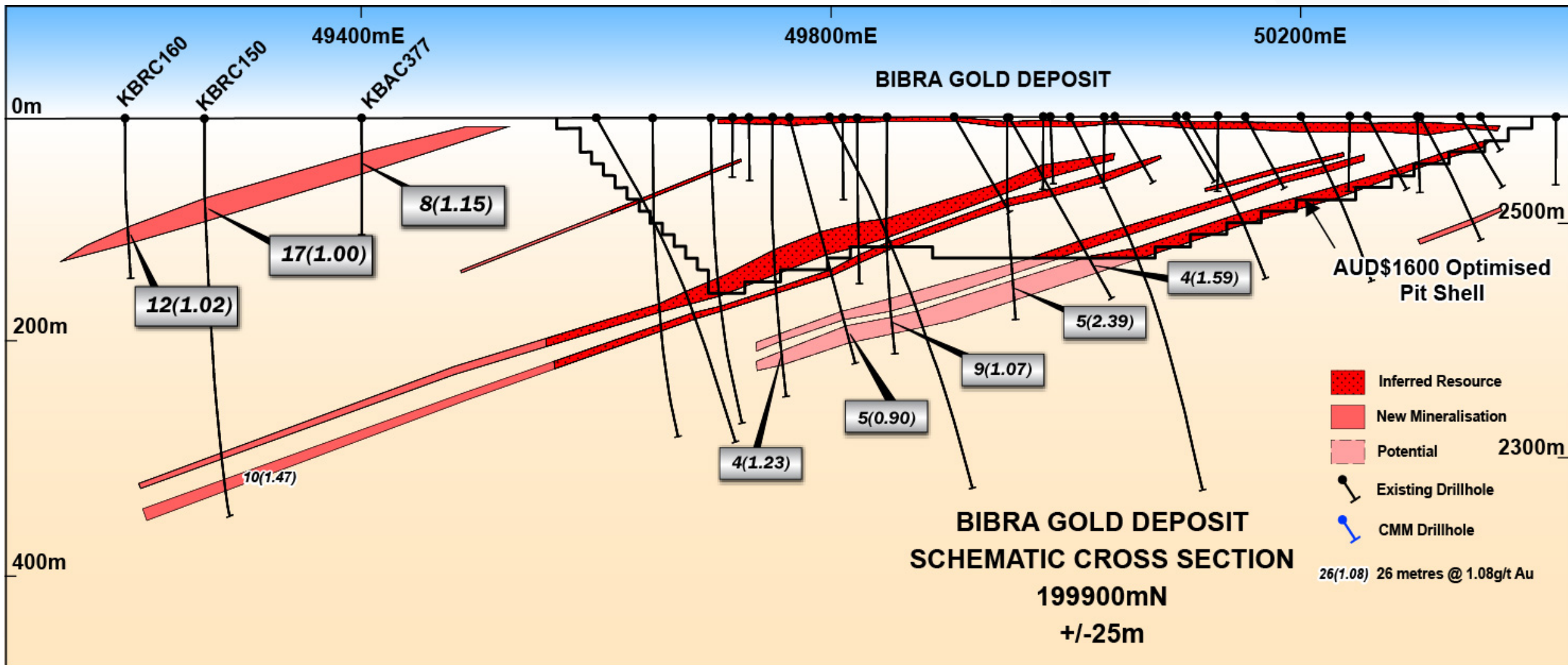
- Current focus on the immediate west of Bibra
- Early drilling targets

### • "T2" Target

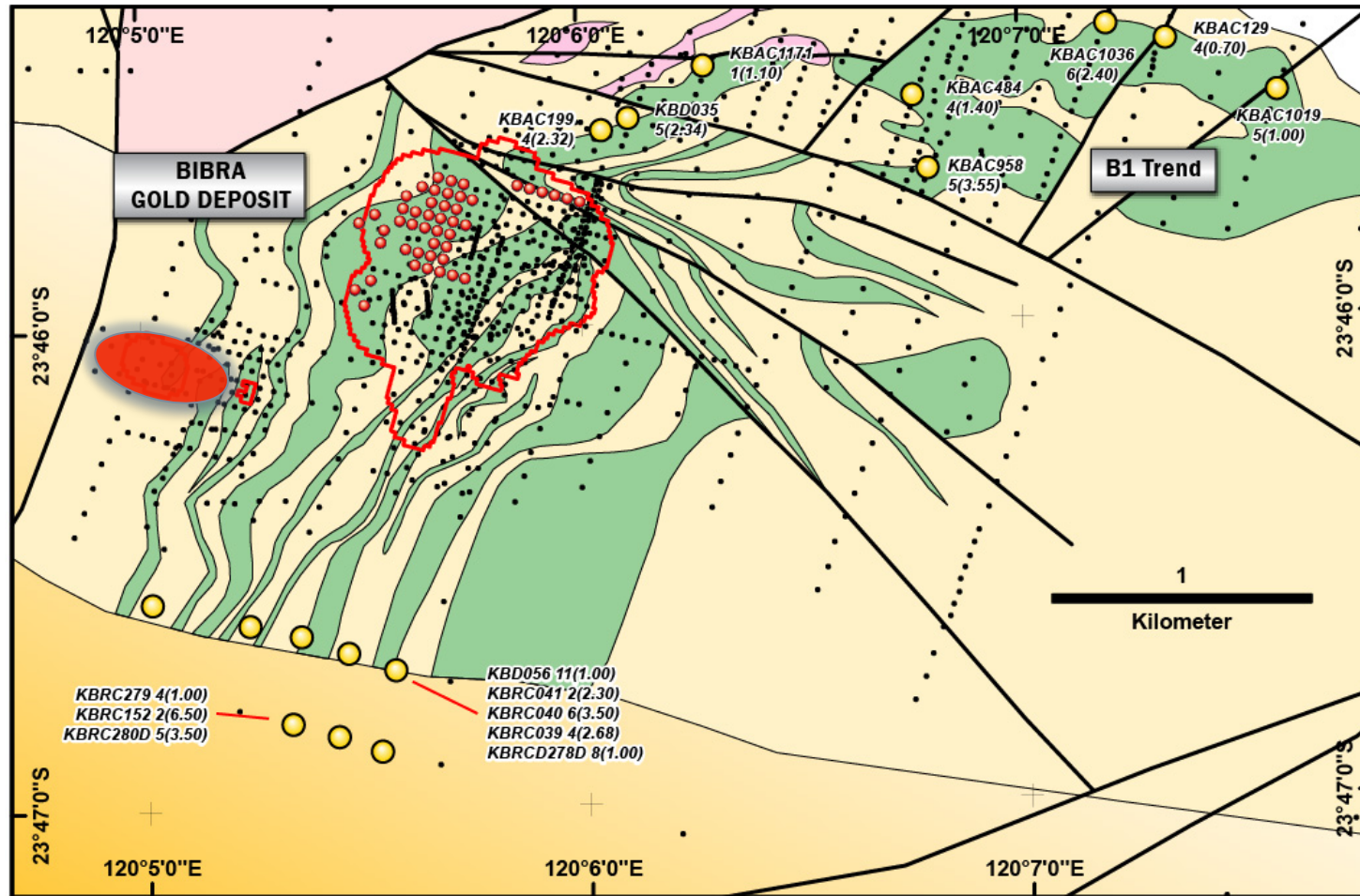
- Potential next "stacked lode"
- KBRC377: 8 metres @ 1.15g/t Au
- KBRC150: 17 metres @ 1.00g/t Au
- KBRC160: 12 metres @ 1.02g/t Au

# Exploration

## Near Pit and Regional





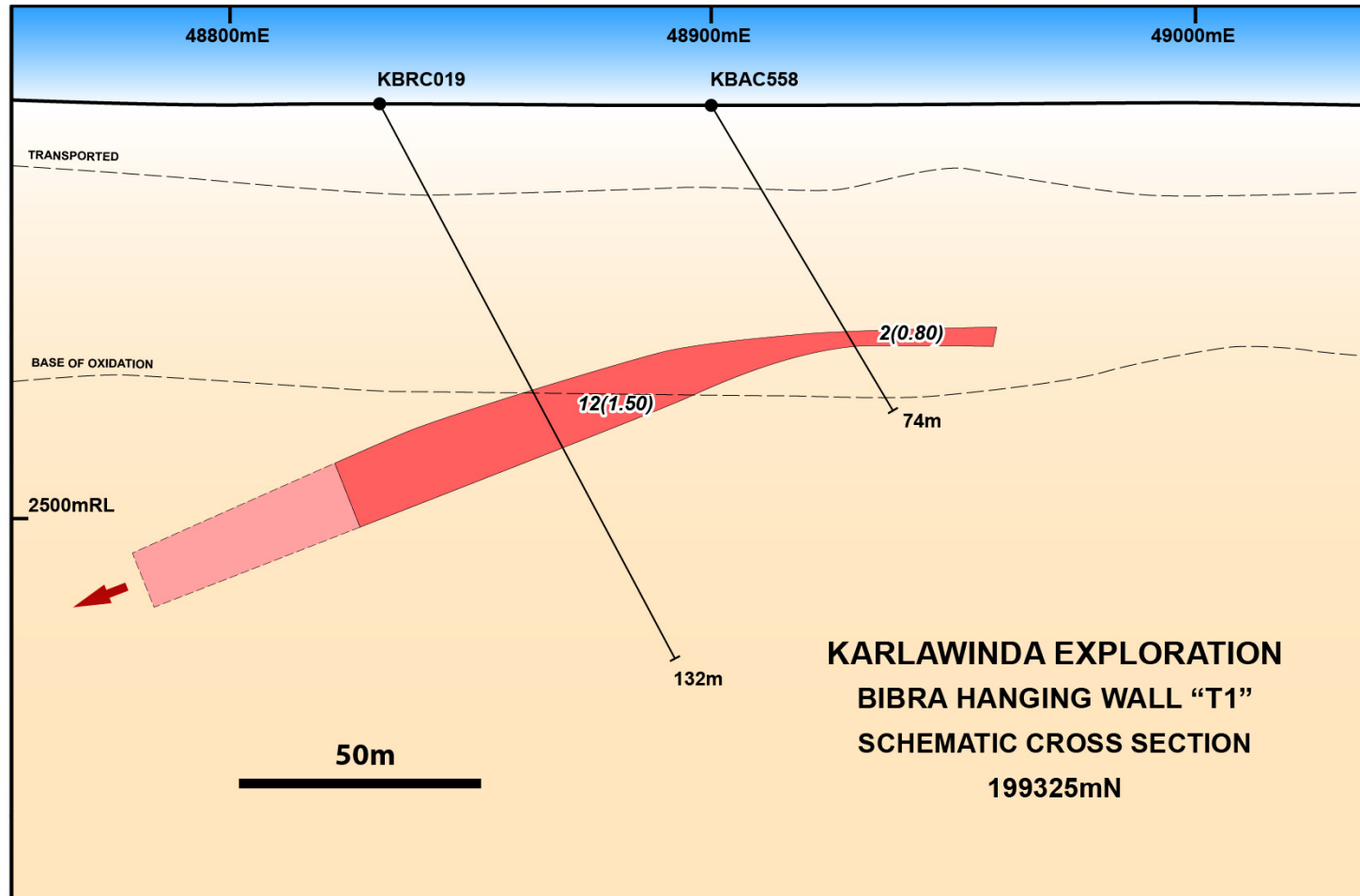


## Bibra Satellite Targets

- Current focus on the immediate west of Bibra
- Early drilling targets

### “T1” Target

- KBRC019: 12 metres @ 1.5g/t Au
- Untested near surface along strike



## Bibra Satellite Targets

- Current focus on the immediate west of Bibra
- Early drilling targets

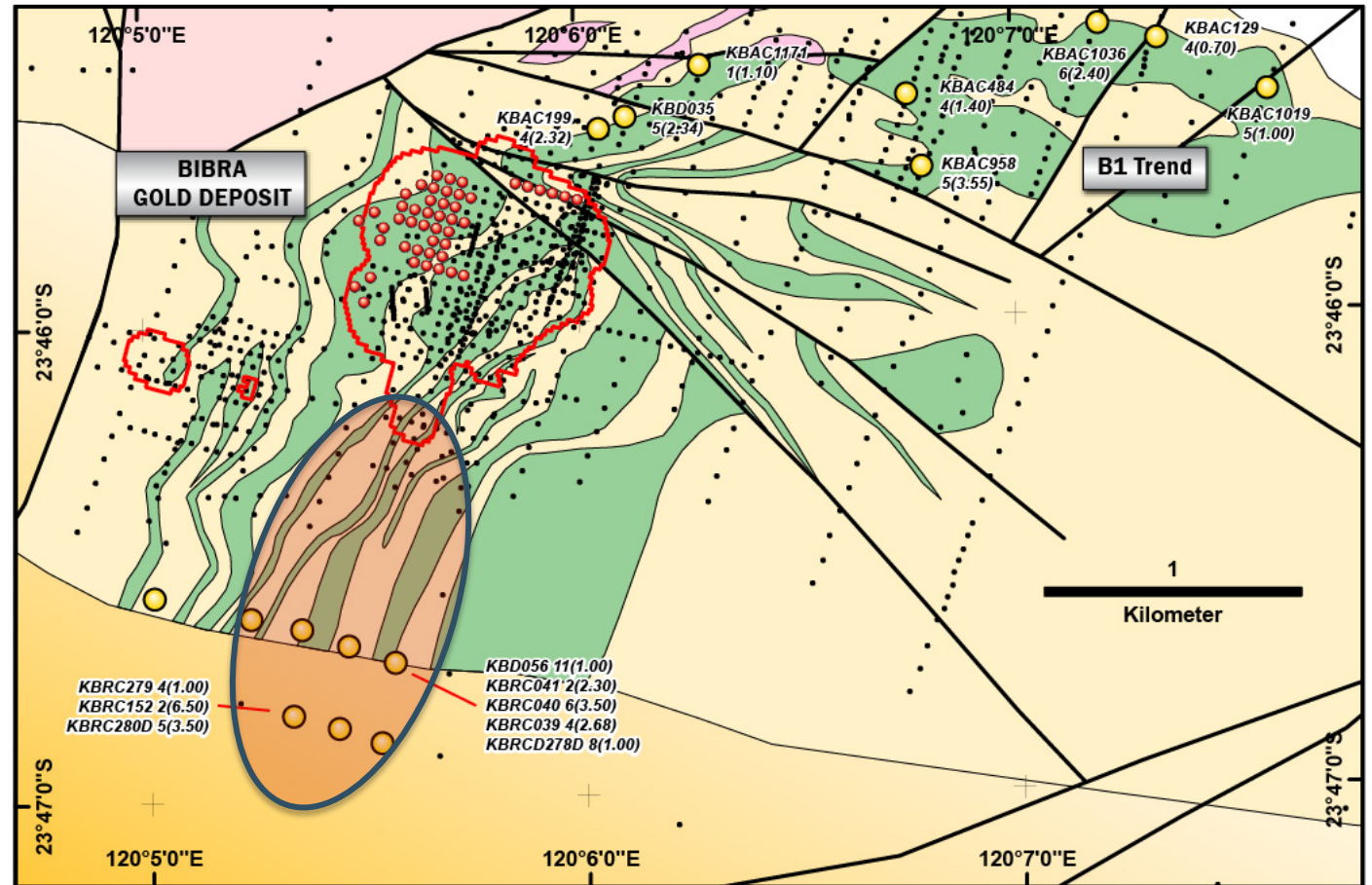
### • "T1" Target

- KBRC019: 12 metres @ 1.5g/t Au
- Untested near surface along strike

### Bibra Satellite Targets

#### • Southern Extension

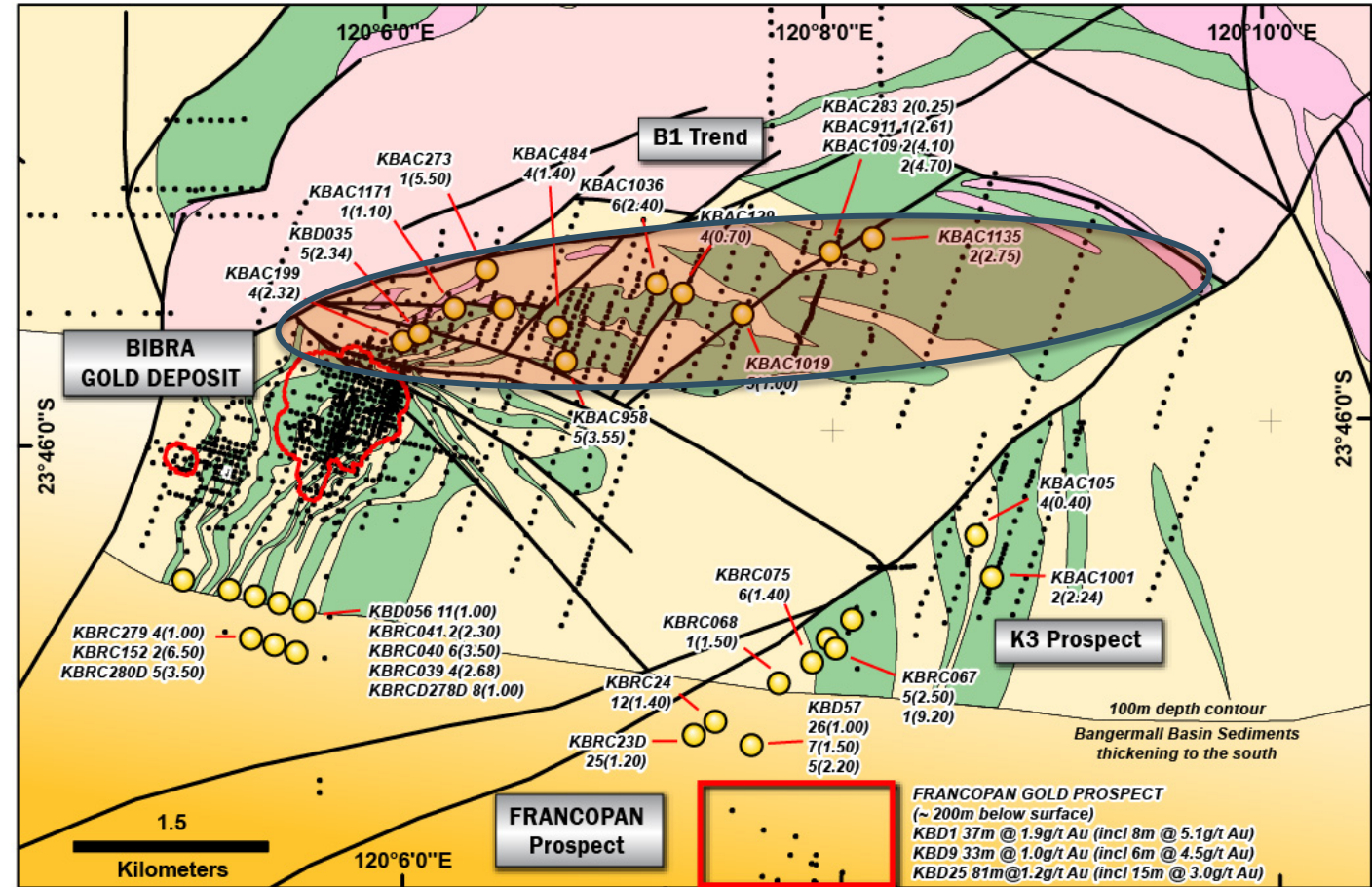
- ~1.5km of Bibra stratigraphy south of the resource
- Limited drilling has intersected gold in most holes
- KBRC056: 11 metres @ 1.0g/t Au
- KBRC040: 6 metres @ 3.5g/t Au
- KBRC280D: 5 metres @ 3.5g/t Au





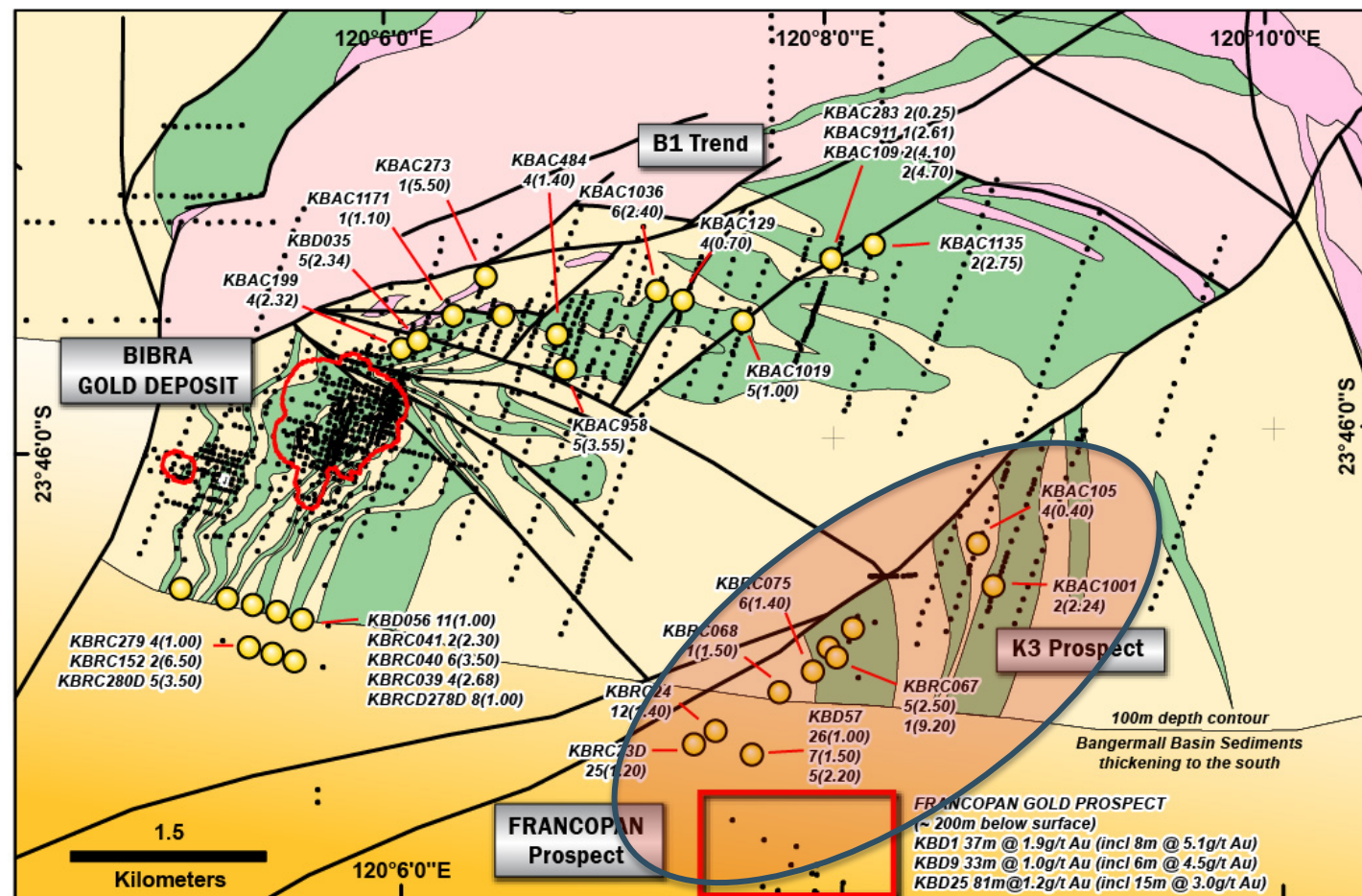


- **B1 Trend**
- 8km extension of the Bibra stratigraphy
- Wide spaced, shallow aircore drilling
- Area largely under transported cover
- Numerous significant results in fresh rock and regolith
- Results include:
  - KBAC1135            2 metres @ 2.75g/t Au
  - KBAC1036           6 metres @ 2.40g/t Au
  - KBAC0958           5 metres @ 3.55g/t Au
  - KBD035              5 metres @ 2.34g/t Au
  - KBAC0199           4 metres @ 2.32g/t Au



### Regional Targets

- **Francopan-K3 Prospects**
- Confirmation: large-scale Archaean gold system!
- Gold mineralisation intersected over 5km!
- Major fault zone
- Limited drilling
- Bangemall cover sequence
- Results include:
  - 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**)



# Summary – 8 reasons to invest in CMM

- Rapid pathway to gold production
- Ore body is simple and predictable
- Pipeline of positive news flow
- Resource upgrade – June 2016
- Rapid completion of Scoping Study then moving into Feasibility Study
- Excellent leverage to Australian gold price
- Massive potential for new discoveries in 2016-17
- Follow the money (look at our share register)