KARLAWINDA: MORE WIDE, STRONG GOLD INTERCEPTS CONFIRM QUAILITY AND SCALE OF BIBRA OPEN PIT DEPOSIT

Latest in-fill drilling also confirm presence of significant higher grade zones

KEY POINTS

- Latest results from ongoing in-fill resource drilling continue to confirm the quality of the Bibra Deposit as a highly-continuous, large-scale open pit mining opportunity.
- Results received to date match expectations and, importantly, consolidate the high-grade domains within the deposit. Recent results from one of these high-grade domains on Section 200100mN include:

  - KBRC412 **33m @ 1.45g/t Au** from 23m (including **5m @ 4.03g/t**)
  - KBRC092 **58m @ 1.44g/t Au** from 58m (including **9m @ 3.50g/t**)
  - KBRC393 **46m @ 1.00g/t Au** from 89m (including **18m @ 1.74g/t**)
  - KBRC394 **54m @ 1.09g/t Au** from 87m (including **12m @ 2.60g/t**)
  - KBRC395 **42m @ 1.03g/t Au** from 112m (including **6m @ 2.90g/t**)
  - KBRC396 **47m @ 1.27g/t Au** from 129m (including **20m @ 3.10g/t**)

- In-fill drilling of the near-surface laterite resource confirms the presence of significant zones of higher-grade mineralisation within the broader resource envelope. Results from Section 200100N include:

  - KBRC410 **13m @ 1.40g/t Au** from 5m (including **5m @ 2.93g/t**)
  - KBRC085 **18m @ 1.96g/t Au** from 6m (including **7m @ 4.43g/t**)
  - KBRC411 **16m @ 2.68g/t Au** from 8m

- Multiple zones of significant mineralisation also intersected in shallower, Hanging Wall positions. Intersections from Section 200100N include:

  - KBRC314 **6m @ 2.30g/t Au** from 74m
  - KBRC399 **3m @ 2.40g/t Au** from 138m
  - KBRC296 **6m @ 1.80g/t Au** from 89m

- The drilling program has been expanded, both to further evaluate the recently discovered Portrush and Southern Corridor Prospects with the objective of including these areas in an expanded resource, and to tighten up drill spacing in the high-grade laterite mineralisation.
- The Bibra Resource drilling programme is now more than 80% complete. The expanded drilling program is on track for completion by the end of November, at which point an update to the Mineral Resource estimate will commence.
- To date 373 holes for 54,500m of Reverse Circulation drilling have been completed in this programme.
- This drilling will allow the resource classification within the optimised Bibra pit shell to be upgraded from Inferred, to Indicated and Measured.

ASX ANNOUNCMENT

2 November 2016

Australian Securities Exchange Code: CMM

ABN: 84 121 700 105

Board of Directors:

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Non-Executive Chairman

Mr Peter Thompson
Managing Director

Mr Peter Langworthy
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Issued Capital:

Shares 486.9M
Options 17.3M
Share Price A$0.115
Market Cap. A$56.0M

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2nd November 2016: Capricorn Metals Ltd (ASX: CMM) is pleased to advise that it has expanded the ongoing resource in-fill drilling program at its 100%-owned Karlawinda Gold Project near Newman in WA (Figure 1), as latest results confirm the scale, quality and continuous nature of the mineralisation at the Bibra Deposit.

The latest drilling has returned some impressive broad zones of mineralisation while also consolidating the high-grade domains within the deposit, including significant thicknesses of mineralisation grading up to 4.43g/t Au within the near-surface laterite domain.

The in-fill program continues to confirm that the Bibra Deposit is a highly continuous, large-scale open pit mining opportunity which will underpin the Definitive Feasibility Study ("DFS") on the Karlawinda Gold Project due for completion in the second quarter of next year.

The current large resource drilling program is the cornerstone activity for the fast-tracked DFS which includes approximately 60,000m of RC and diamond drilling both to expand and upgrade the classification of the Bibra Inferred Resource, which stands at 25.5Mt @ 1.1g/t Au for 914,000oz (see Appendix 1 for details).

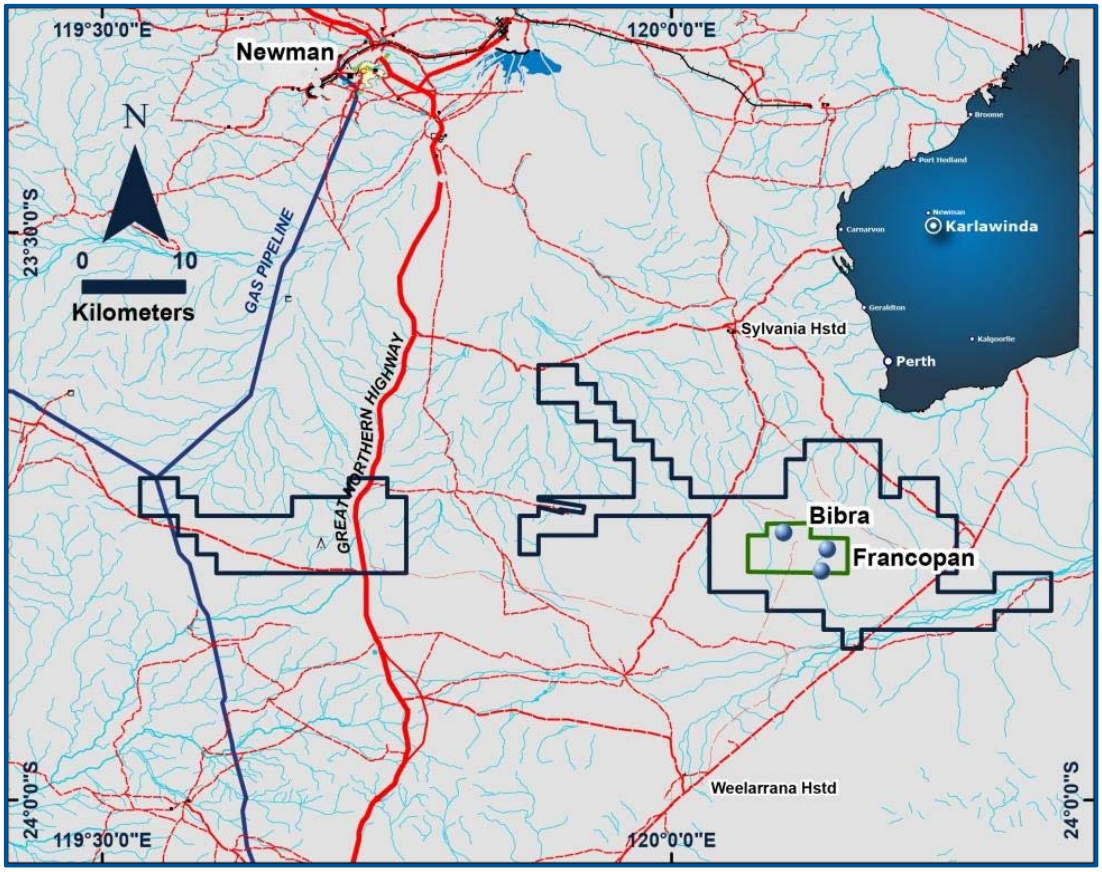

Figure 1: Location Map: Karlawinda Gold Project

The current resource drilling program is designed to upgrade the classification from Inferred to higher confidence Measured and Indicated and to provide key geological, metallurgical and geotechnical data for the DFS. Drill spacing has been consolidated to a 25 x 25m spacing to define key areas and 25 x 50m throughout the rest of the resource.

A key component of the drilling has been to fully evaluate the higher-grade gold domains that are prominent throughout the broader lower-grade parts of the deposit, both in the laterite/oxide and primary domains. Based on the results to date, it is clear that the high-grade domains are robust, extensive and show excellent continuity and predictability.

The cross-section 200,100mN (Figure 2), which is located within the central part of the deposit (Figure 3), is used to illustrate the nature of the mineralisation within these higher-grade domains (see Appendix 2 for all drilling details).

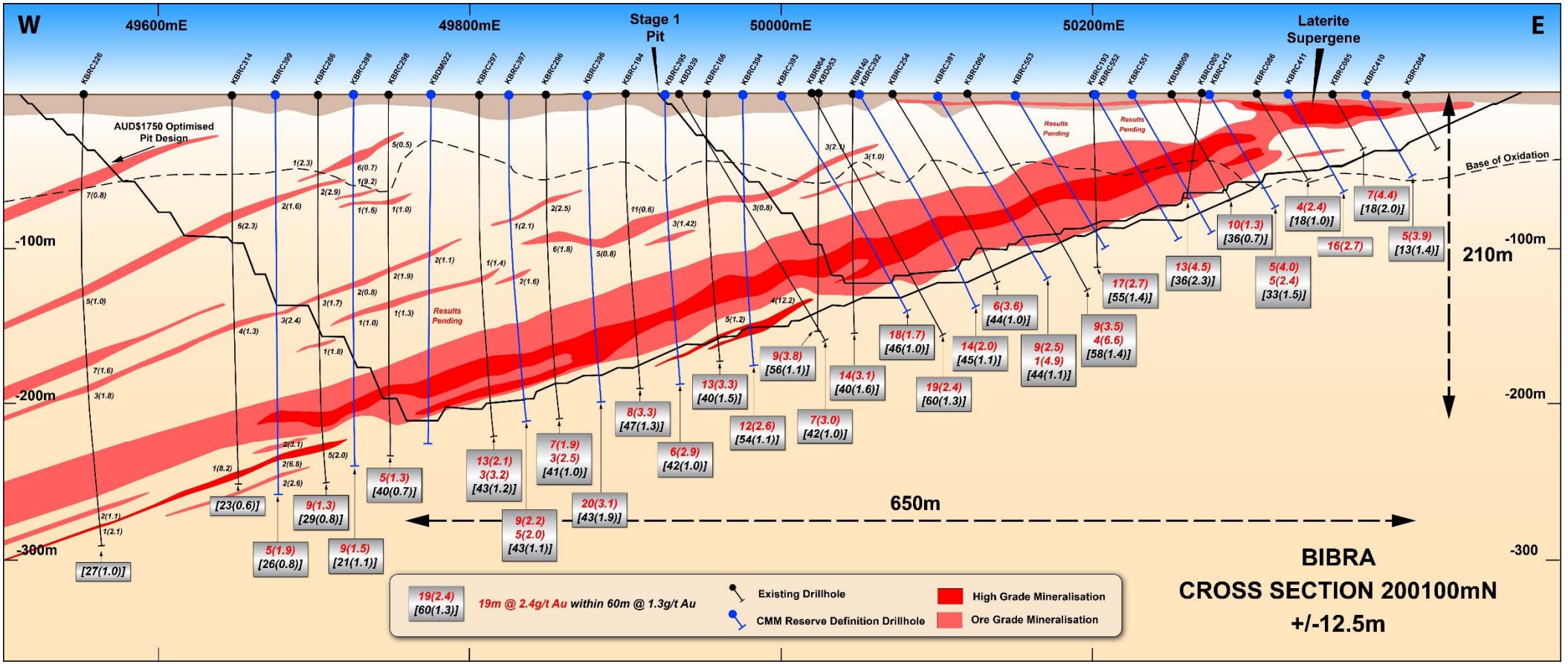

Figure 2: Bibra Cross Section 200100mN

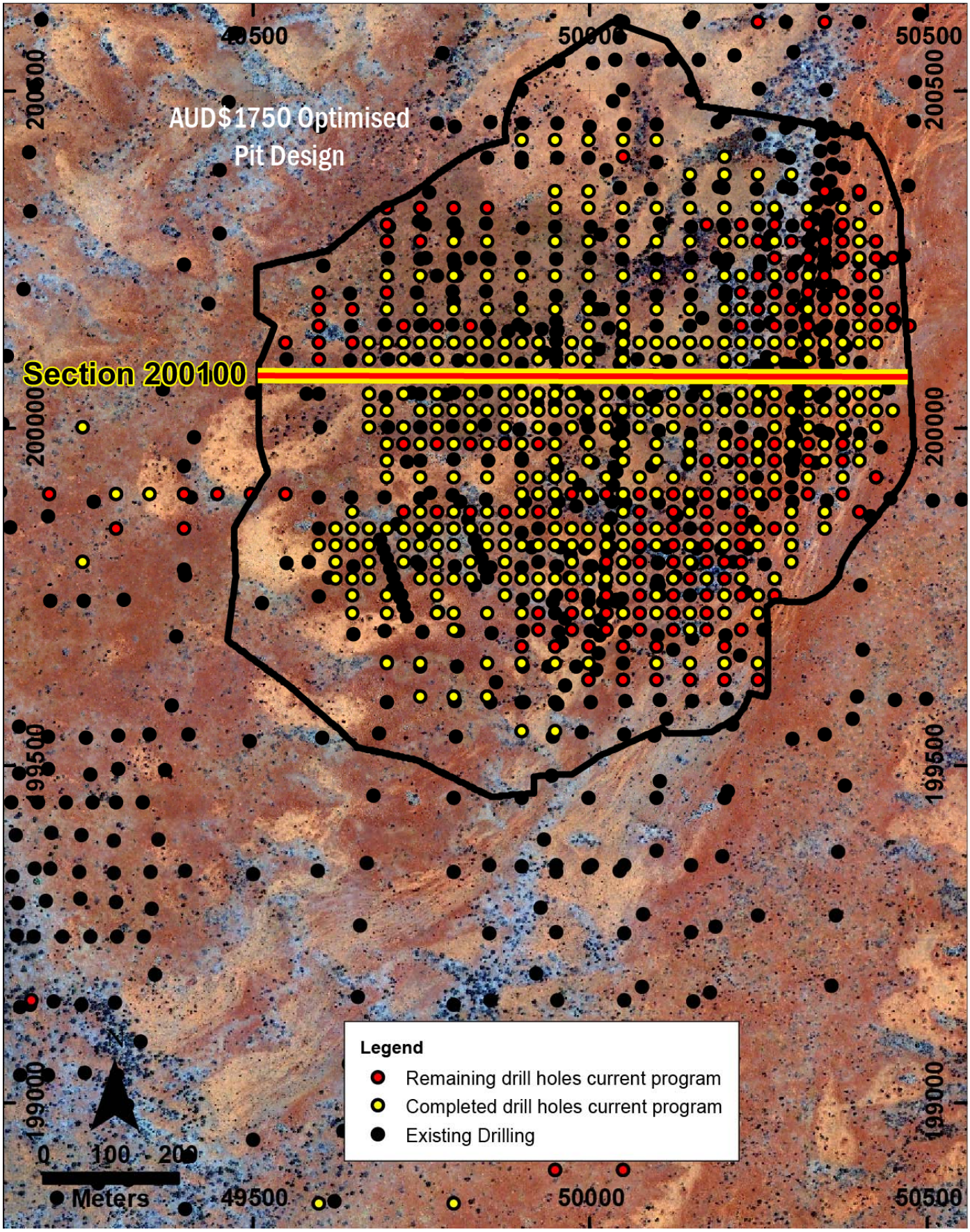

Figure 3: Drill hole locations

NEAR SURFACE LATERITE DOMAIN (2,100,000 tonnes @ 1.3g/t Au for 85,000oz)

The Laterite Domain is an extensive near-surface blanket of gold mineralisation that is developed over at least 1km on the eastern margin of the Bibra Deposit, and mostly within the Stage 1 pit design. In-fill resource drilling is focused on better defining the high-grade component of this resource and to define its margins. The results returned on section 200,100mN demonstrate the thick, higher-grade nature of the laterite mineralisation:

- **KBRC410 13m @ 1.40g/t Au from 5m (includes 5m @ 2.93g/t)**
- **KBRC085 18m @ 1.96g/t Au from 6m (includes 7m @ 4.43g/t)**
- **KBRC411 16m @ 2.68g/t Au from 8m (includes 18m @ 1.74g/t)**

SAPROLITE-TRANSITIONAL DOMAIN (5,800,000 tonnes @ 1.1g/t Au for 200,000oz)

When combined with the Laterite Domain, the Saprolite-Transitional domain represents a significant body of near-surface mineralisation that would be largely be mined by the Stage 1 Pit in the first 2.5-3 years of operation at a waste-ore strip ratio of 3:1.

This mineralisation is hosted variably by clays and weathered rock across the entire Bibra Deposit to a depth of approximately 70m. Current resource drilling is being undertaken to upgrade the resource classification level and to better define the transition to the underlying primary mineralisation. Recent in-fill drilling results in this zone include:

- **KBRC412 33m @ 1.45g/t Au from 23m (includes 5m @ 4.03g/t)**

FRESH DOMAIN (17,600,000 tonnes @ 1.1g/t Au for 629,000oz)

The fresh domain mineralisation lies below the Saprolite-Transition Domain, and contains low levels of disseminated pyrite. It comprises a central high-grade core of consistent mineralisation within a broader zone of lower grade mineralisation with sporadic high grades.

Section 200,100mN (Figure 2) demonstrates the extensive continuity of mineralisation from surface to the base of the optimised pit shell (~700m). The high-grade mineralisation identified in Figure 2 is persistent on adjacent sections.

New in-fill results from the Fresh Domain on section 200100mN include:

- **KBRC393 46m @ 1.00g/t Au from 89m (includes 18m @ 1.74g/t)**
- **KBRC394 54m @ 1.09g/t Au from 87m (includes 12m @ 2.60g/t)**
- **KBRC395 42m @ 1.03g/t Au from 112m (includes 6m @ 2.90g/t)**
- **KBRC396 47m @ 1.27g/t Au from 129m (includes 20m @ 3.10g/t)**

Existing results from the Fresh Domain on section 200100mN include:

- **KBRC092 58m @ 1.44g/t Au from 58m (includes 9m @ 3.50g/t)**
- **KBRC194 47m @ 1.30g/t Au from 120m (includes 8m @ 3.30g/t)**
- **KBRC166 40m @ 1.50g/t Au from 104m (includes 13m @ 3.30g/t)**
- **KBD0053 56m @ 1.11g/t Au from 87m (includes 9m @ 3.80g/t)**
- **KBD0039 42m @ 1.00g/t Au from 110m (includes 7m @ 3.00g/t)**
- **KBRC140 40m @ 1.60g/t Au from 87m (includes 14m @ 3.10g/t)**
- **KBRC064 60m @ 1.30g/t Au from 85m (includes 19m @ 2.40g/t)**
- **KBD0039 4m @ 12.2g/t Au from 110m (includes 1m @ 67g/t)**

HANGING WALL LODES

It is becoming increasingly apparent through the in-fill resource drilling that there are likely to be more significant zones of hanging wall mineralisation than have previously been modelled. The presence of this mineralisation at shallower levels in the pit has the potential to improve overall stripping ratios. Examples of the multiple new Hanging Wall intercepts on Section 200100N are:

- **KBRC314 6m @ 2.30g/t Au from 74m**
- **KBRC399 3m @ 2.40g/t Au from 138m**
- **KBRC296 6m @ 1.80g/t Au from 89m**
- **KBRC398 1m @ 9.20g/t Au from 63m**

MANAGEMENT COMMENT

Capricorn's Managing Director, Mr Peter Thompson, said the in-fill drilling programme was delivering impressive results, highlighting the scale, quality and consistency of the Bibra deposit.

"*The Board committed to this 60,000m drilling programme in order to further de-risk the Bibra mine development, and to enable the resource to be lifted in classification to Measured and Indicated.*

"The results have so far more than matched our expectations, highlighting the continuity of the deposit both in terms of geometry and gold grade," he said.

"Of particular note with the latest results is that the higher grade zones are becoming more cohesive and consistent – and they will now be domained and modelled separately within the overall Mineral Resource model.

"The near-surface laterite zone, which includes some of the highest grades seen at Bibra – all within 20m of the surface – is proving to be uniform and consistent. The saprolite-transition zone is also firming up, with consistent in-fill results. These two zones could prove to be strategically important – generating high-grade ounces in the early stages of the mine plan.

"We have decided to expand the drilling program to tighten up the drill spacing in these strategically important high-grade zones, while also providing the opportunity to further delineate the new discoveries at Portrush and Southern Corridor for inclusion in the overall resource estimate.

"We look forward to the completion of in-fill drilling during November and the resulting impact on the Bibra resource estimate. This will provide a strong foundation to the DFS and puts us firmly on track to develop a significant new mid-tier gold project next year."

For and on behalf of the Board

Peter Thompson
Managing Director

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Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy, Technical Director, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full time Director of Capricorn Metals Limited 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. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

APPENDIX 1 – RESOURCE TABLE

Table 1 – Resource Summary (see ASX announcement dated 4 July 2016)

The June 2016 Inferred Resource for the Bibra gold deposit now reports at **25,500,000 tonnes @ 1.1g/t for 914,000 ounces of contained gold**. The resource is reported at a 0.5g/t Au cut-off grade and is constrained within an optimized open pit shell using a gold price of A$1750/oz. Details of the resource are provided in Table (1).

TABLE (1): Bibra Gold JORC Open Pit Inferred Resource Estimate *(as at June 30, 2016)*

Domain	Tonnes	Grade (g/t Au)	Ounces
Laterite	2,100,000	1.3	85,000
Saprolite	4,300,000	1.0	142,000
Transition	1,500,000	1.2	58,000
Fresh	17,600,000	1.1	629,000
Total	**25,500,000**	**1.1**	**914,000**

Notes on the Inferred Mineral Resource:

1. Refer to JORC 2012 Table (1) below for full details.
2. Discrepancy in summation may occur due to rounding.
3. The mineralisation has been wireframe modelled using a 0.3g/t Au assay cut-off grade. The resource estimate has been reported above a block grade of 0.5g/t Au.
4. The resource has been constrained by a A$1750/ounce conceptual optimal pit shell.
5. Ordinary Kriging was used for grade estimation utilising Surpac software v6.6.2.
6. Grade estimation was constrained to blocks within each of the mineralisation wireframes.

APPENDIX 2 – SIGNIFICANT DRILLING RESULTS

Hole No	Northing	Easting	RL	Dip/Az	From	To	Width	Grade (g/t Au)
KBRC410	200,100	50,375	2590	-60/105	5	18	13	1.4
					(Includes)		5	3.9
KBRC085	200,100	50,353	2590	-60/105	6	24	18	2.0
					(Includes)		7	4.4
KBRC411	200,100	50,325	2590	-60/105	8	24	16	2.7
KBRC086	200,100	50,304	2590	-60/105	7	25	18	1.0
					(Includes)		4	2.4
KBRC412	200,100	50,275	2590	-60/105	23	56	33	1.5
					(Includes)		5	4.0
							5	2.4
KBRC005	200,100	50,264	2590	-60/105	38	74	36	2.3
					(Includes)		13	4.5
KBDM009	200,100	50,250	2590	-60/105	32	78	36	0.7
					(Includes)		10	1.3
KBRC193	200,100	50,200	2590	-60/105	31	86	55	1.4
					(Includes)		17	2.7
KBRC092	200,100	50,120	2590	-60/105	57	115	58	1.4
					(Includes)		9	3.5
							4	6.6
KBRC391	200,100	50,100	2590	-60/105	69	113	44	1.1
					(Includes)		9	2.5
							1	4.9
KBRC254	200,100	50,070	2590	-60/105	72	116	44	1.0
					(Includes)		6	3.6
KBRC392	200,100	50,050	2590	-60/105	79	124	45	1.1
					(Includes)		14	2.0
KBRC140	200,100	50,045	2590	-90/000	24	27	3	1.0
					87	135	40	1.6
					(Includes)		14	3.1
KBD053	200,100	50,021	2590	-90/000	29	32	3	2.1
					87	143	56	1.1
					(Includes)		9	3.8
KBRC064	200,100	50,014	2590	-60/105	85	145	60	1.3
					(Includes)		19	2.4
KBRC393	200,100	50,000	2590	-60/105	89	135	46	1.0
					(Includes)		18	1.7
KBRC394	200,100	49,975	2590	-90/000	66	69	3	0.8
					100	154	54	1.1
					(Includes)		12	2.6
KBRC166	200,100	49,950	2590	-90/000	104	144	40	1.5
					(Includes)		13	3.3
					156	160	4	12.2
KBD039	200,100	49,940	2590	-60/105	87	143	56	1.1
					(Includes)		9	3.8
KBRC395	200,100	49,924	2590	-90/000	112	154	42	1.03
					(Includes)		6	2.9
KBR194	200,100	49,900	2590	-90/000	80	91	11	0.6
					120	167	47	1.3
					(Includes)		8	3.3
KBRC396	200,100	49,875	2590	-90/000	93	98	5	0.8
					129	172	43	1.9
					(Includes)		20	3.1
KBRC296	200,100	49,849	2590	-90/000	66	68	2	2.5
					89	95	6	1.8
					138	179	41	1.0
					(Includes)		7	1.9
					(Includes)		3	2.5
KBRC397	200,100	49,825	2590	-90/000	78	79	1	2.1
					115	117	2	1.6
					145	188	43	1.1
					(Includes)		9	2.2

Hole No	Northing	Easting	RL	Dip/Az	From	To	Width	Grade (g/t Au)
					(Includes)		5	2.0
KBRC297	200,100	49,805	2590	-90/000	116	117	1	1.4
					151	194	43	1.2
					(Includes)		13	2.1
					(Includes)		3	3.2
KBRC298	200,100	49,747	2590	-90/000	24	29	5	0.5
					68	69	1	1.0
					110	112	2	1.9
					131	132	1	1.3
					174	214	40	0.7
					(Includes)		5	1.3
KBRC398	200,100	49,725	2590	-90/000	35	41	6	0.7
					63	64	1	9.2
					69	70	1	1.6
					120	122	2	0.8
					139	140	1	1.0
					182	203	21	1.1
					(Includes)		9	1.5
KBRC286	200,100	49,702	2590	-90/000	50	51	1	2.3
					57	59	2	2.9
					127	130	3	1.7
					160	161	1	1.8
					189	218	29	0.8
					(Includes)		9	1.3
					222	227	5	2.0
KBRC399	200,100	49,675	2590	-90/000	64	66	2	1.6
					138	141	3	2.4
					195	221	26	0.8
					(Includes)		5	1.9
					224	226	2	3.1
					231	233	2	6.8
					243	245	2	2.6
KBRC314	200,100	49,647	2590	-90/000	74	80	6	2.3
					144	148	4	1.3
					202	225	23	0.6
					244	245	1	8.2
KBRC326	200,100	49,551	2590	-90/000	50	57	7	0.8
					123	128	5	1.0
					165	172	7	1.6
					186	189	3	1.8
					230	257	27	1.0
					265	267	2	1.1
					276	277	1	2.1

APPENDIX 3: BIBRA RC DRILLING PROGRAM

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.*	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. 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. A second 2kg-3kg sample was collected at the same time the original sample. This sample has been stored on site. These duplicate samples have been retained for follow up analysis and testwork. The bulk sample of the main ore zone was discharged from the cyclone directly into green bags. The bulk sample from the waste and hanging wall zones was collected in wheelbarrows and dumped into neat piles on the ground. During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones, however approximately 10% of the holes drilled had the whole hole weighed. 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.
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.).*	All Drilling has been completed by reverse circulation using a DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary. The hole was drilled using a nominal 135mm diameter face sampling bit, and to limit the hole deviation 4metre thick wall rod and top and bottom stabilisers were used.
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.*	During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones, however approximately 10% of the holes drilled had the whole hole weighed. 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. At the end of each metre the bit was lifted off the bottom to separate each metre drilled. The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery.

Criteria	JORC Code explanation	Commentary
		From the collection of recovery data, no identifiable bias exists.
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. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure. Data on rocktype, deformation, colour, structure, alteration, veining, mineralisation and oxidation state were recorded. RQD, magnetic susceptibility and core recoveries were recorded. RC chips sample quality and weights were also recorded, including whether wet or dry Logging is both qualitative and quantitative or semi-quantitative in nature. Core was photographed both dry and wet
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.*	Samples were split from dry, 1m bulk sample via a cone splitter directly from the cyclone. The quality control procedure adopted through the process includes: Weighing of both Calico samples and reject sample to determine sample recovery compared to theoretical sample recovery and to check sample bias through the splitter. 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 was 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 laboratory in Maddington in WA. Samples were oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg. Samples were 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 samples were analysed for Au using the FA50/MS technique which is a 50g lead collection fire assay
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. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Samples were submitted to the Intertek laboratory in Perth. In the waste zones, analysis has been completed by a single fire assay. In the main mineralised zone four fire assays from the sample pulp were completed and then averaged to determine, the assay grade of the sample to reduce the impact of the nugget effect in each ore zone sample The samples were determined for gold, pt, pd and additional elements/base metals, using ICP optical emission spectrometry and ICP mass spectrometry. 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

Criteria	JORC Code explanation	Commentary
		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.
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 were recorded directly into a Micromine field marshal template, which utilises lookup tables and in file validation on a Toughbook by the geologist on the rig. Assay results when received were plotted on section and were verified against neighbouring holes.
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 collars were positioned using a Garmin hand held GPS or by Survey group of Osbourne Park, WA Downhole surveys were collected by driller operated in-rod reflex north seeking gyro at the end of each hole. The measurements were taken every 30 metres. .
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.*	No exploration results have been reported Drilling is being completed on a 25x25m grid. Samples collected and analysed for each metre down the hole. Whole hole is analysed
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 across strike on a local grid. Bibra orebody dips at 30 degrees to the North West. Holes in the drill programs have being drilled at inclination of -60 and -90 degrees. 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 green bags/polyweave bags and cable tied. These bags were then sealed in bulka bags by company personnel, dispatch by third party contractor, in-company 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 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.*	The Bibra deposit is located in EPM52/1711 held by Greenmount Resources PTY LTD. Capricorn Metals is currently in a purchase agreement with Independence Group Ltd, where acquisition will be finalised in 2016. Please see Capricorn Metals ASX at http://capmetals.com.au/ for further details The Bibra mineralisation is within the granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. BHPB retain a 2% NSR and a claw-back provision whereby BHPB 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 E52/1711. There is no known heritage or environmental impediments over the lease. A mining lease sufficient in size to cover the Bibra resource area and potential associated

Criteria	JORC Code explanation	Commentary
		infrastructure for a future mining operation has been applied for, and IGO is currently in negotiation with the Nyiyaparli group over this application. No other known impediments exist to operate 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 the Independence group (IGO) who undertook exploration between 2008 & 2014. Prior to Independence group, WMC 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 refer to Tables in the text
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 ore zone four separate fire assays were completed for each 1m sample to reduce the nugget effect. The four assays were then averaged to calculate the final assay grade.
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 Bibra, 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 significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The diagrams in the report provide sufficient information to understand the context of the drilling results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high*	The accompanying document is considered to be a balanced report with a suitable cautionary note.

Criteria	JORC Code explanation	Commentary
	grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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 2012/13 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.*	Drilling Program is currently taking place