RAPID PROGRESS AT KARLAWINDA WITH STRONG INITIAL RESULTS FROM BIBRA DRILLING

In-fill programe confirms and extends the existing resource – assays awaited from first exploration holes

HIGHLIGHTS

- Outstanding progress with recently commenced in-fill and extensional drilling program being undertaken as part of the Definitive Feasibility Study on the Karlawinda Gold Project.
- Drilling with five rigs has already completed 113 holes for 13,370m RC and 22 diamond holes for 2,760m – 25% of the planned 60,000m program.
- Strong results received in the first batches of assays received.
- The results confirm the strong continuity of the mineralisation within the resource as a result of in-fill drilling, while also identifying potential extensions to the current 914,000oz Bibra inferred gold resource (refer Table 1).
- Two exploration targets have so far been drilled outside of Bibra with sulphide mineralisation intersected and assays awaited.
- Significant results received to date include (see Tables 2 and 3):
  - **KBRC 332: 18 metres @ 1.40 g/t Au from 64m**
  - **KBRC 338: 10m @ 1.01g/t Au from 36m**
  - **KBRC 339: 4m @ 3.6 g/t Au (laterite) from 7m; and 5m @ 1.02 g/t Au from 104m**
  - **KBRC 342: 25 metres @ 1.25 g/t Au from 89m; and 6m @ 1.44 g/t Au from 187m**
  - **KBRC 350: 9 metres @ 1.29 g/t Au from 47m; and 7m @ 5.37 g/t Au from 107m**
- Diamond drilling with two rigs has focused on acquiring metallurgical samples for Definitive Feasibility Study testwork. This drilling is almost complete.
- Drilling is continuing and further results will be reported in the coming weeks as they come to hand.

ASX ANNOUNCMENT

6 September 2016

Australian Securities Exchange Code: CMM

ABN: 84 121 700 105

Board of Directors:

Mr Guy LeClezio
Non-Executive Chairman

Mr Peter Thompson
Managing Director

Mr Peter Langworthy
Technical Director

Mr Heath Hellewell
Non-Executive Director

Issued Capital:

Shares 486M
Options 18.3M
Share Price A$0.145
Market Cap. A$70.4M

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6th September 2016: Capricorn Metals Ltd (ASX: CMM) is pleased to advise that it has made excellent progress with the recently commenced 60,000m in-fill and exploration drilling programme at its 100%-owned Karlawinda Gold Project, with the program already more than 25 per cent complete and the first batches of assay results received.

The results to date have been very encouraging, confirming the strong continuity of mineralisation within the existing resource and identifying potential extensions to the mineralisation outside of the resource boundary.

Drilling has also been completed at the first two exploration targets to be tested as part of the current program. Visible sulphides have been recorded in these holes, with assays currently awaited. Sulphides are normally associated with gold mineralisation at the Karlawinda Project.

Karlawinda is an advanced gold project located near the town of Newman in the Pilbara region of WA (Figure 1). The Project includes the Bibra deposit and numerous outstanding exploration targets including the Francopan prospect.

Gold mineralisation has been reported in all drill-holes completed to date in the current programme, including some particularly significant mineralisation not included in the current (June 2016) resource estimate.

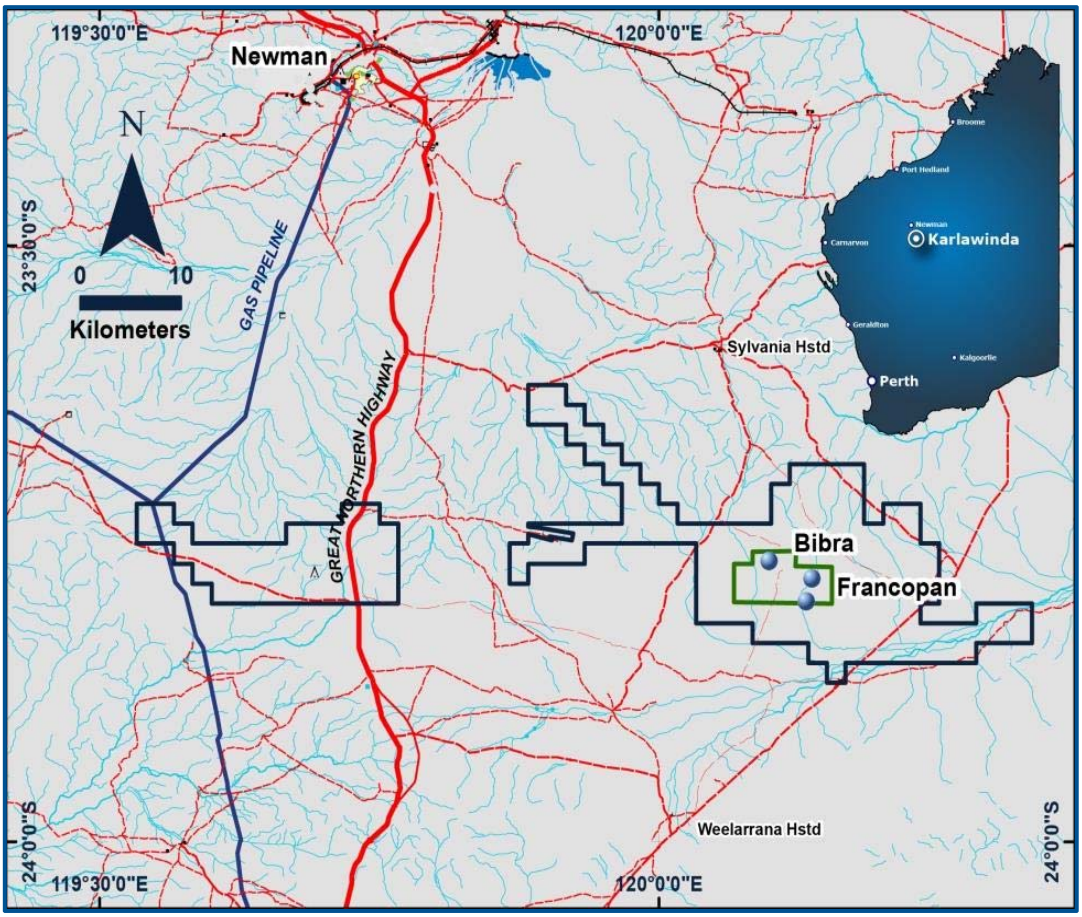

Figure 1: Location Map: Karlawinda Gold Project

KEY POINTS:

- Capricorn has contracted five drill rigs to undertake 60,000m of RC and diamond drilling, of which 50,000m will be completed at Bibra, and 10,000m on new exploration targets.
- In the first month of drilling, 13,370m of RC drilling and 2,750m of diamond drilling has been completed, with initial assays now received.
- RC drilling of the Main (Footwall) lode, immediately below the current pit design, has intersected significant mineralisation, including 6m @ 1.44 g/t Au, 5m @ 1.17 g/t and 12m @ 1.03 g/t (refer cross-sections in Figures 3 and 4).
- An intersection of 10m @ 1.10g/t was returned in a shallow position in hole KBRC338, where there is no current resource wireframe (refer cross-section, Figure 3).

- Significant high-grade mineralisation was intersected by KBRC350, which returned an intercept of of 7m @ 5.36 g/t Au within the current Bibra pit design, but with no drill-holes testing up-dip for 135m (refer Figure 4).
- Visible sulphides, which are generally associated with the gold mineralisation at Karlawinda, have been observed from initial RC drilling at the new exploration targets Portrush and Southern Corridor (refer Figure 2). Assays are awaited.

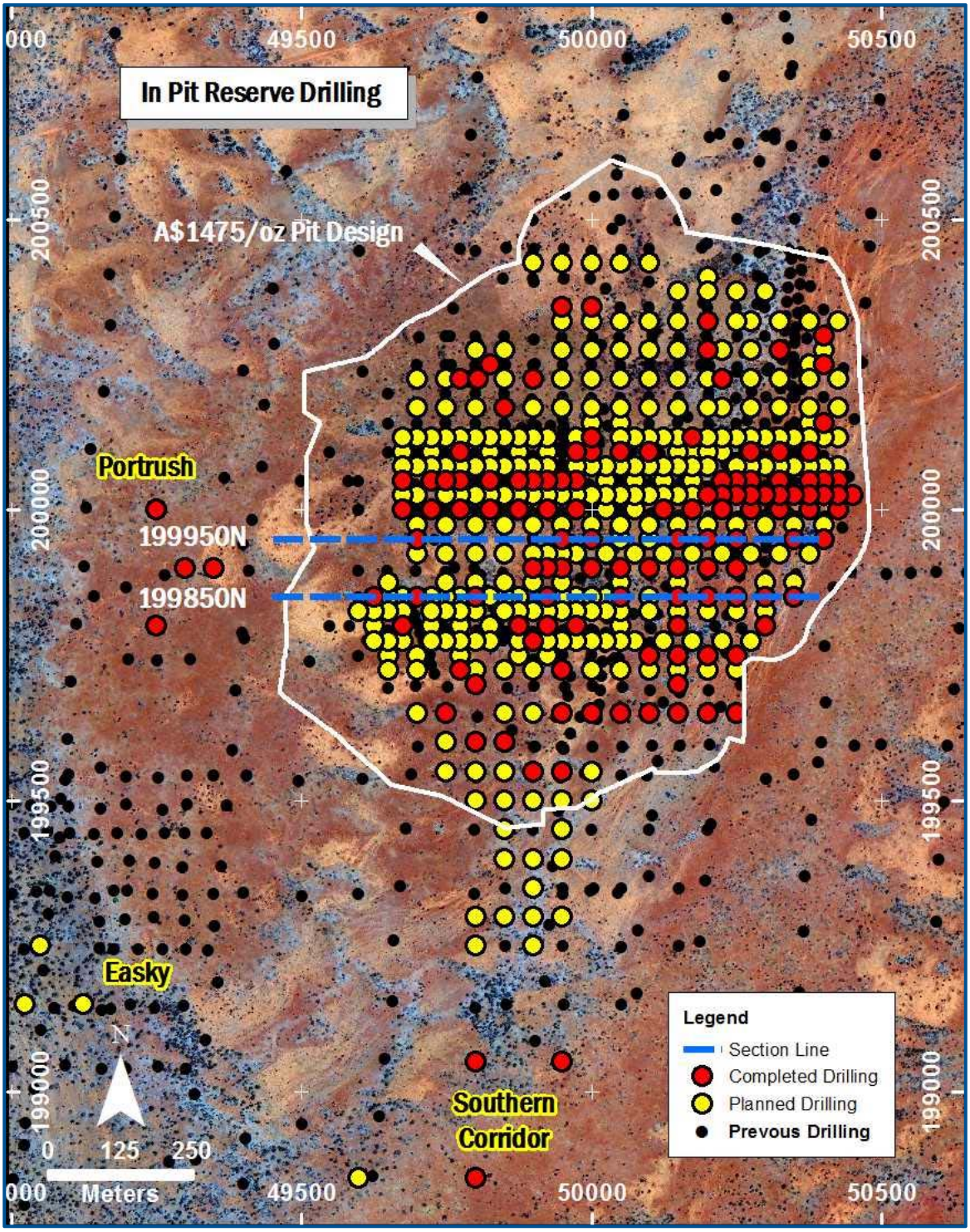

Figure 2: Plan Showing Current Drilling Status

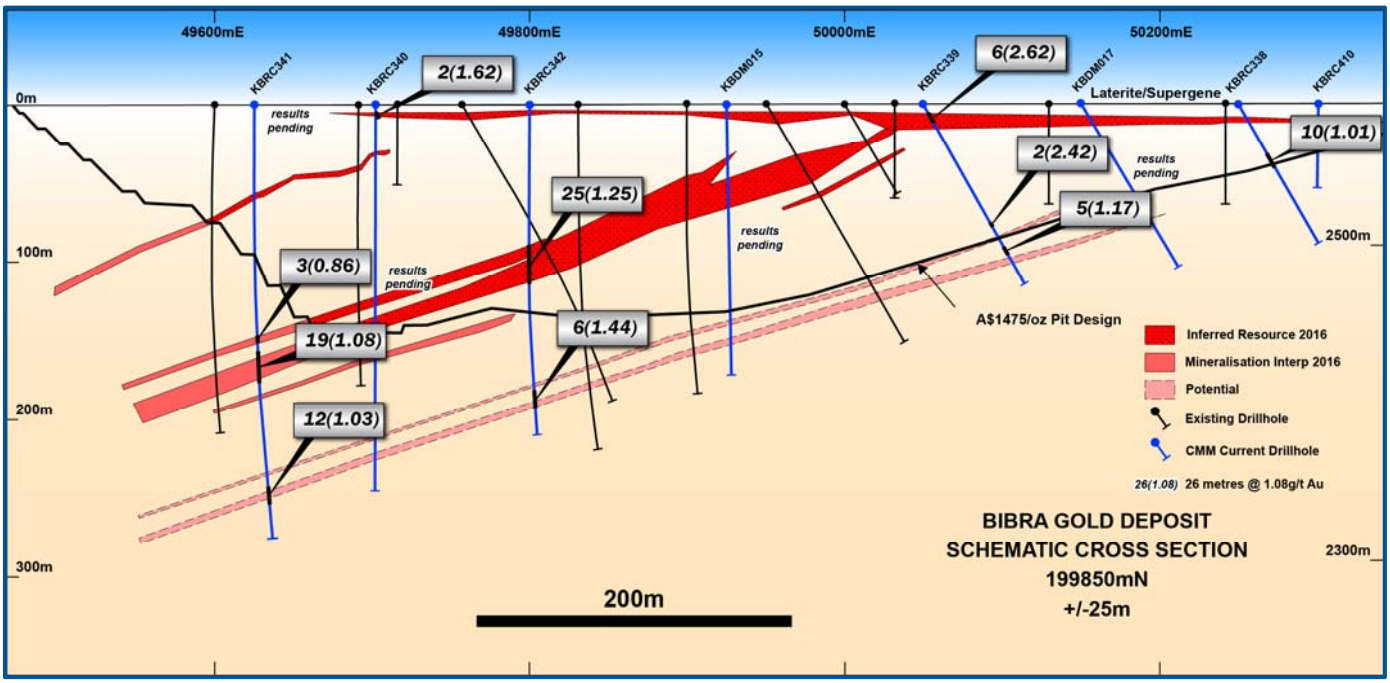

Figure 3: BIBRA GOLD DEPOSIT SCHEMATIC CROSS SECTION (199850N)

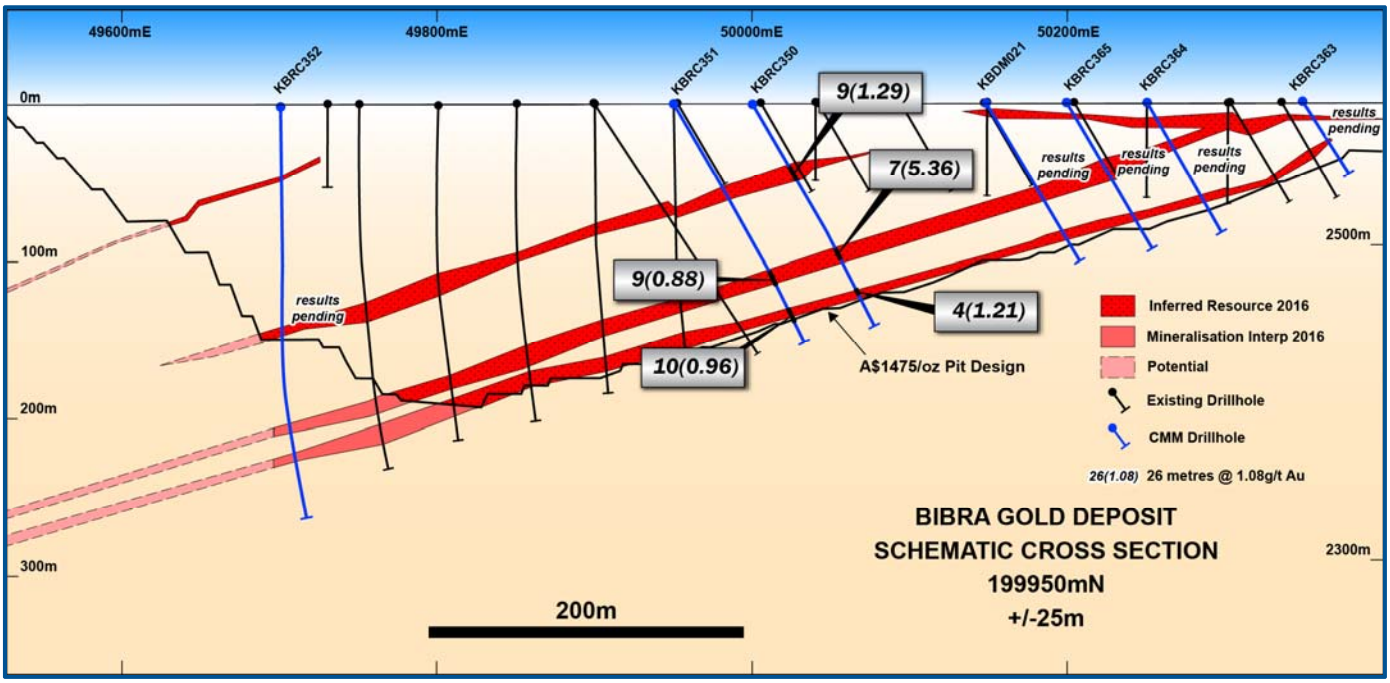

Figure 4: BIBRA GOLD DEPOSIT SCHEMATIC CROSS SECTION (199950N)

NEXT STEPS

RC drilling is continuing with three rigs focusing on the resource in-fill program, as well as deeper drilling to test for extensions of the Bibra mineralisation beyond the current resource envelope.

The RC rigs will also test the exploration targets identified near Bibra, as well as undertake a short programme of hydrogeological (waterbore) drilling.

Diamond drilling to provide core for metallurgical testwork is nearing completion. Following this, the diamond rigs will undertake several geotechnical holes to provide data for open pit mine design, followed by testing of deeper exploration targets.

MANAGEMENT COMMENT

Capricorn's Managing Director, Mr Peter Thompson, said the Company was very pleased with the rapid progress being achieved at Karlawinda and with the outstanding results being generated by the current program.

"It's not often with a gold project that you hit mineralisation in every hole that you drill, but that is exactly what has happened so far at Bibra. The in-fill results we have received so far have provided strong confirmation of the continuity of the mineralisation over extensive distances, with mineralisation intersected in every anticipated zone.

"Some new mineralisation has also been intersected, both within the June 2016 pit design and from immediately below, opening up the possibility for further expansion of the resource. The high grade intercept of 7m @ 5.36g/t in hole KBRC350 may also be significant, as there is around 135m immediately up-dip from this intercept which remains untested. This shows the potential to find significant high-grade positions as the drilling advances.

"We are also very much looking forward to the results of the first drill-holes completed on the new targets outside of Bibra."

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, whi1ch 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 AND DRILLHOLE DATA

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.

Table 2 – Karlawinda Gold Project: Drilling Results

(Note: See Appendix (2) JORC Code (2012) Table 1 Parameters).

HOLE No	From	To	Intercept	Grade
KBRC331	30	31	1	10.3
	44	46	2	1.4
	126	132	6	2.3
KBRC332	48	52	4	0.95
	64	82	18	1.4
KBRC333	17	20	3	2.33
	53	55	2	1.1
	87	88	2	1.27
KBRC334	16	19	3	1.44
	40	42	2	0.9
	92	94	2	1.07
KBRC335	8	9	1	0.82
	104	111	7	1.18
	116	117	1	2.33
	168	193	25	0.64
KBRC336	14	15	1	1.06
	46	48	2	1.5
	88	89	1	6.83
	128	131	3	1.28
KBRC337	64	67	3	1.82
	71	72	1	1.17
	105	106	1	1.28
KBRC338	36	46	10	1.01

HOLE No	From	To	Intercept	Grade
KBRC339	7	11	4	3.6
	104	109	5	1.02
KBRC340	6	8	2	1.18
	25	27	2	0.75
KBRC341	147	150	3	0.86
	156	176	19	1.08
	242	254	12	1.03
KBRC342	89	114	25	1.25
	181	182	1	1.04
	187	193	6	1.44
KBRC343	6	11	5	1.48
	62	62	1	0.75
	84	89	5	0.9
KBRC345*	69	97	1	0.6
	116	120	4	1.36
KBRC346*	40	45	5	1.12
	129	134	5	0.82
KBRC347*	54	65	11	1.02
	140	148	8	0.54
KBRC348*	42	48	6	1.01
	62	70	8	0.96
KBRC349	66	67	1	1.7
	77	83	6	1.14
	152	158	6	0.95
KBRC350*	40	41	1	1.47
	47	56	9	1.29
	63	65	2	0.85
	107	114	7	5.36
	135	139	4	1.21
KBRC351*	123	132	9	0.88
	142	143	1	1.07
	149	153	4	1.31
KBRC353*	104	105	1	13.22
	111	114	3	0.75
KBRC360	13	15	2	0.85
	23	25	2	0.72
	55	57	2	1.05
KBRC361*	44	46	2	0.93
	74	77	3	1.06

(*Note: Additional assays pending)

Table 3: Drill Collar Summary

(Note: See Appendix (2) JORC Code (2012) Table 1 Parameters.)

Hole_ID	Drilling Status	MGA_E	MGA_N	Local_N	Local_E	RL	Azi_MGA	Dip	Final Depth
KBDM018	Complete	203773	7368563	199700	49800	590	105	-60	54
KBDM019	Complete	203679	7368692	199800	49675	590	105	-90	108
KBDM021	Complete	204176	7368714	199950	50150	590	105	-60	47
KBDM022	Complete	203853	7368956	200100	49775	590	105	-90	108
KBDM029	Complete	204320	7368960	200125	50175	590	105	-60	35

Hole_ID	Drilling Status	MGA_E	MGA_N	Local_N	Local_E	RL	Azi_MGA	Dip	Final Depth
KBDM031	Complete	204246	7368876	200225	50225	590	105	-60	35
KBDM034	Complete	203756	7368594	199725	49775	590	105	-90	72
KBDM035	Complete	204309	7369015	200275	50200	590	105	-90	42
KBDM036	Complete	203945	7369009	200175	49850	590	105	-90	90
KBDM037	Complete	204006	7369044	200225	49900	590	105	-90	48
KBDM038	Complete	204077	7368922	200125	50000	590	105	-90	48
KBDM039	Complete	204322	7369063	200325	50200	590	105	-90	42
KBRC331	Complete	203968	7368614	199800	49975	590	105	-60	155
KBRC332	Complete	203871	7368640	199800	49875	590	105	-60	185
KBRC333	Complete	204099	7368424	199650	50150	590	105	-60	89
KBRC334	Complete	203905	7368476	199650	49950	590	105	-60	137
KBRC335	Complete	203712	7368528	199650	49750	590	105	-90	221
KBRC336	Complete	203748	7368466	199600	49800	590	105	-90	180
KBRC337	Complete	203831	7368392	199550	49900	590	105	-60	137
KBRC338	Complete	204247	7368591	199850	50250	590	105	-60	101
KBRC339	Complete	204054	7368643	199850	50050	590	105	-60	131
KBRC340	Complete	203716	7368734	199850	49700	590	105	-90	246
KBRC341	Complete	203643	7368753	199850	49625	590	105	-90	162
KBRC342	Complete	203812	7368708	199850	49800	590	105	-90	210
KBRC343	Complete	204163	7368666	199900	50150	590	105	-60	107
KBRC344	Complete	204115	7368679	199900	50100	590	105	-60	119
KBRC345	Complete	204067	7368691	199900	50050	590	105	-60	137
KBRC346	Complete	204018	7368704	199900	50000	590	105	-60	149
KBRC347	Complete	203970	7368717	199900	49950	590	105	-90	174
KBRC348a	Complete	203946	7368724	199900	49925	590	105	-60	179
KBRC349	Complete	203922	7368730	199900	49900	590	105	-90	186
KBRC350	Complete	204031	7368752	199950	50000	590	105	-60	161
KBRC351	Complete	203982	7368765	199950	49950	590	105	-60	173
KBRC352	Complete	203742	7368830	199950	49700	590	105	-90	264
KBRC353	Complete	204135	7369139	200350	50000	590	105	-90	144
KBRC354	Complete	204087	7369152	200350	49950	590	105	-90	150
KBRC355	Complete	204213	7368756	200000	50175	590	105	-60	119
KBRC356	Complete	204165	7368769	200000	50125	590	105	-60	125
KBRC357	Complete	204020	7368807	200000	49975	590	105	-90	168
KBRC358	Complete	203972	7368820	200000	49925	590	105	-90	174
KBRC359	Complete	203923	7368833	200000	49875	590	105	-90	192
KBRC360	Complete	204260	7368640	199900	50250	590	105	-60	77
KBRC361	Complete	204212	7368653	199900	50200	590	105	-60	89
KBRC362	Complete	204418	7368649	199950	50400	590	105	-60	41
KBRC363	Complete	204369	7368662	199950	50350	590	105	-60	53
KBRC364	Complete	204273	7368688	199950	50250	590	105	-60	95
KBRC365	Complete	204224	7368701	199950	50200	590	105	-60	107
KBRC366	Complete	203390	7368873	199900	49350	590	105	-90	108
KBRC367	Complete	203342	7368886	199900	49300	590	105	-90	90
KBRC368	Complete	203268	7368802	199800	49250	590	105	-90	120
KBRC369	Complete	203320	7368995	200000	49250	590	105	-90	120
KBRC370	Complete	203875	7368846	200000	49825	590	105	-90	210
KBRC371	Complete	203827	7368859	200000	49775	590	105	-90	246

Hole_ID	Drilling Status	MGA_E	MGA_N	Local_N	Local_E	RL	Azi_MGA	Dip	Final Depth
KBRC372	Complete	203779	7368872	200000	49725	590	105	-90	246
KBRC372a	Complete	203779	7368872	200000	49725	590	105	-90	246
KBRC373	Complete	203730	7368885	200000	49675	590	105	-90	258
KBRC374	Complete	204468	7368739	200050	50425	590	105	-60	35
KBRC375	Complete	204444	7368746	200050	50400	590	105	-60	15
KBRC376	Complete	204033	7368856	200050	49975	590	105	-60	167
KBRC377	Complete	204009	7368862	200050	49950	590	105	-60	173
KBRC378	Complete	203985	7368869	200050	49925	590	105	-90	186
KBRC379	Complete	203985	7368869	200050	49925	590	105	-60	185
KBRC380	Complete	203961	7368875	200050	49900	590	105	-60	185
KBRC381	Complete	203961	7368875	200050	49900	590	105	-90	198
KBRC382	Complete	203936	7368882	200050	49875	590	105	-90	90
KBRC383	Complete	203888	7368895	200050	49825	590	105	-90	270
KBRC384	Complete	203840	7368908	200050	49775	590	105	-90	240
KBRC385	Complete	203792	7368920	200050	49725	590	105	-90	252
KBRC386	Complete	203743	7368933	200050	49675	590	105	-90	270
KBRC387	Complete	204455	7368691	200000	50425	590	105	-60	41
KBRC388	Complete	204406	7368704	200000	50375	590	105	-60	53
KBRC389	Complete	204358	7368717	200000	50325	590	105	-60	65
KBRC390	Complete	204310	7368730	200000	50275	590	105	-60	83
KBRC391	Complete	204167	7368872	200100	50100	590	105	-60	137
KBRC392	Complete	204118	7368885	200100	50050	590	105	-60	155
KBRC393	Complete	204070	7368898	200100	50000	590	105	-60	161
KBRC394	Complete	204046	7368904	200100	49975	590	105	-90	174
KBRC402	Complete	204221	7368495	199750	50250	590	105	-60	29
KBRC403	Complete	204173	7368508	199750	50200	590	105	-60	47
KBRC404	Complete	204076	7368534	199750	50100	590	105	-60	77
KBRC405	Complete	204419	7368752	200050	50375	590	105	-60	53
KBRC406	Complete	204371	7368765	200050	50325	590	105	-60	65
KBRC407	Complete	204323	7368778	200050	50275	590	105	-60	83
KBRC408	Complete	204299	7368785	200050	50250	590	105	-60	89
KBRC409	Complete	204275	7368791	200050	50225	590	105	-60	84
KBRC410	Complete	204432	7368801	200100	50375	590	105	-60	59
KBRC411	Complete	204384	7368814	200100	50325	590	105	-60	71
KBRC412	Complete	204336	7368826	200100	50275	590	105	-60	83
KBRC413	Complete	204469	7368842	200150	50400	590	105	-60	47
KBRC414	Complete	204495	7368939	200250	50400	590	105	-60	41
KBRC415	Complete	204508	7368987	200300	50400	590	105	-60	41
KBRC416	Complete	204282	7368530	199800	50300	590	105	-60	35
KBRC417	Complete	204343	7368566	199850	50350	590	105	-60	35
KBRC418	Complete	204295	7368578	199850	50300	590	105	-60	53
KBRC419	Complete	204199	7368604	199850	50200	590	105	-60	89
KBRC420	Complete	204195	7368398	199650	50250	590	105	-60	35
KBRC421	Complete	203796	7368453	199600	49850	590	105	-90	90
KBRC422	Complete	204050	7368437	199650	50100	590	105	-60	95
KBRC423	Complete	203954	7368463	199650	50000	590	105	-60	98
KBRC424	Complete	204111	7368472	199700	50150	590	105	-60	89
KBRC425	Complete	204147	7368411	199650	50200	590	105	-60	35

Hole_ID	Drilling Status	MGA_E	MGA_N	Local_N	Local_E	RL	Azi_MGA	Dip	Final Depth
KBRC426	Complete	204137	7368569	199800	50150	590	105	-60	83
KBRC427	Complete	203879	7368379	199550	49950	590	105	-60	77
KBRC428	Complete	203553	7367742	198850	49800	590	105	-60	203
KBRC430	Complete	203750	7367896	199050	49950	590	105	-60	149
KBRC431	Complete	203605	7367935	199050	49800	590	105	-60	209
KBRC439	Complete	204485	7368709	200025	50450	590	105	-60	29
KBRC440	Complete	204461	7368715	200025	50425	590	105	-60	35
KBRC441	Complete	204437	7368722	200025	50400	590	105	-60	41
KBRC442	Complete	204413	7368728	200025	50375	590	105	-60	47
KBRC443	Complete	204389	7368735	200025	50350	590	105	-60	53
KBRC444	Complete	204365	7368741	200025	50325	590	105	-60	59
KBRC445	Complete	204340	7368748	200025	50300	590	105	-60	71
KBRC446	Complete	204316	7368754	200025	50275	590	105	-60	77
KBRC447	Complete	204292	7368760	200025	50250	590	105	-60	83
KBRC448	Complete	204268	7368767	200025	50225	590	105	-60	95
KBRC449	Complete	204244	7368773	200025	50200	590	105	-60	95
KBRC450	Complete	204474	7368763	200075	50425	590	105	-60	29
KBRC451	Complete	204450	7368770	200075	50400	590	105	-60	41

APPENDIX 2: 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. From the collection of recovery data, no identifiable

Criteria	JORC Code explanation	Commentary
		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 material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of

Criteria	JORC Code explanation	Commentary
		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 infrastructure for a future mining operation has been applied for, and IGO is currently in negotiation with the Nyiyaparli group over this

Criteria	JORC Code explanation	Commentary
		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 grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The accompanying document is considered to be a balanced report with a suitable cautionary note.

Criteria	JORC Code explanation	Commentary
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