



ASX Code: CMM

FAST-TRACKING TO PRODUCTION

Diggers & Dealers Conference Kalgoorlie

2nd August 2016

Disclaimer & Competent Person Statement

CAUTIONARY STATEMENT - FORWARD LOOKING STATEMENTS

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all Material Assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

CAUTIONARY STATEMENT - PRELIMINARY NATURE OF STUDY

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Scoping Study results contained in this announcement are preliminary in nature as the conclusions are based on low-level technical and economic assessments, and are insufficient to support the calculation of Ore Reserves or to provide an assurance of economic development at this time. There is a low level of geological confidence associated with Inferred Mineral resources as used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the outcomes of the Scoping Study will be realised. Accordingly, these Inferred Resources should not be relied on by investors when making investment decisions.

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

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. Michael Martin who is Principal Resource Geologist at Perth based consultant group OMNI GeoX Pty Ltd and is a current Member of the Australian Institute of Geoscientists. Mr. Michael Martin acts as a consultant for 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. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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

- ASX-listed with a A\$73M market cap (at A\$0.15)
- 100% owned Karlawinda Gold Project, WA
- 914,000oz JORC 2012 Resource (25.5mt @ 1.1g/t Au)
- Targeting large-scale open pit mining opportunity
- Go ahead given for Definitive Feasibility Study:
- Resource upgrade drilling program commenced (60,000m)
- Grow resource in short term through focused exploration
- \$11.7M cash: Funded to end of DFS

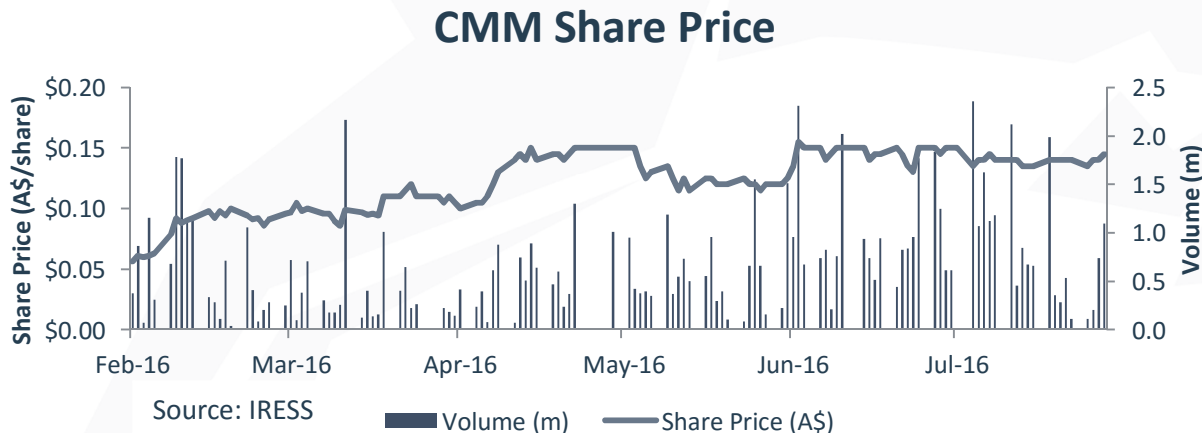


Corporate Overview

Corporate Information

| | |
|--------------------------------|---------|
| ASX Code | CMM |
| Shares on Issue | 487m |
| Share Price as at 28 July 2016 | 15c |
| Market Cap 28 July 2016 | \$73m |
| Cash as at 30 June 2016 | \$11.7m |
| Unlisted options | 18.8m |

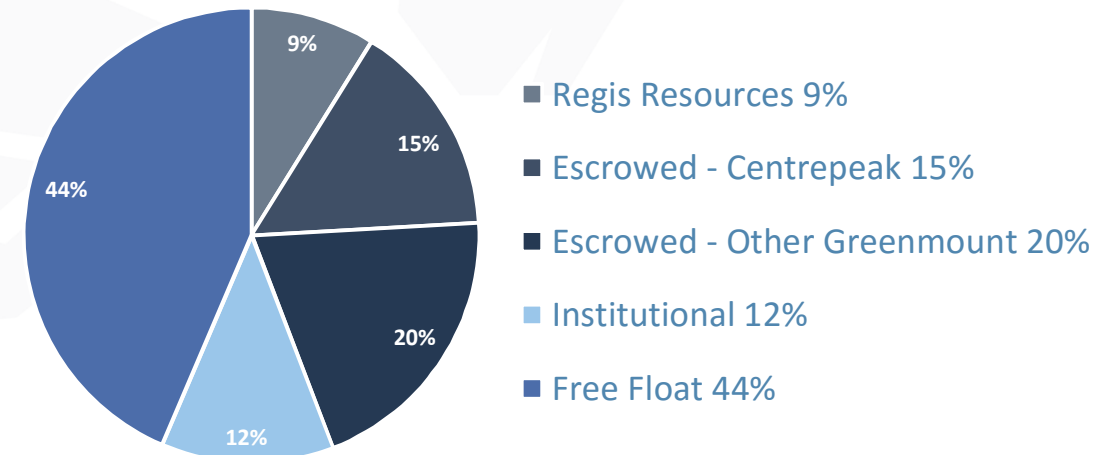
6 Month Share Price



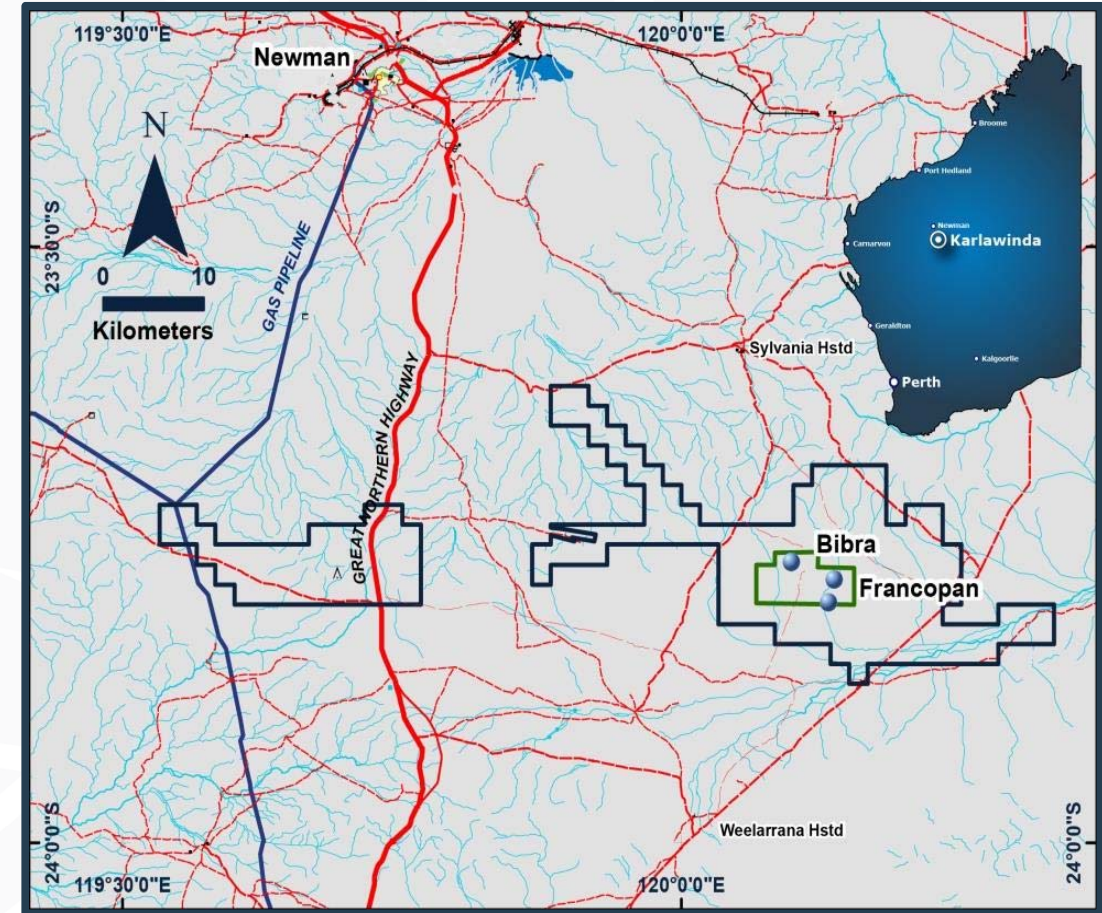
Board of Directors

| | |
|------------------|--|
| Guy Le Clezio | Non-Executive Chairman <i>(World Titanium Resources / Eyres Reed)</i> |
| Peter Thompson | Managing Director <i>(WMC / 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



- Located in the Pilbara District, WA
- Not discovered till 2005: **FIRST MOVER OPPORTUNITY**
- Large-scale Archaean gold system rapidly emerging
- Aiming to development of a large-scale open pit mining operation
- Rapid Progress:
 - Project acquired: February 2016
 - Funding in place: April 2016
 - Resource expansion drilling: May 2016
 - Updated Inferred Resource: June 2016
 - Scoping Study: July 2016
 - Definitive Feasibility Study committed and underway



Fast Tracking to Production

Bibra Inferred Resource – 25.5mt @ 1.1g/t for 914,000 ounces gold

| Mineralisation Type | Tonnes (Mt) | Au (g/t) Cut | Ounces |
|-----------------------|-------------|--------------|----------------|
| Laterite | 2.1 | 1.3 | 85,000 |
| Saprolite | 4.3 | 1.0 | 142,000 |
| Transitional | 1.5 | 1.2 | 58,000 |
| Fresh | 17.6 | 1.1 | 629,000 |
| Total Inferred | 25.5 | 1.1 | 914,000 |

Resource Estimation based on:

43 diamond drill holes: 5,373 metres

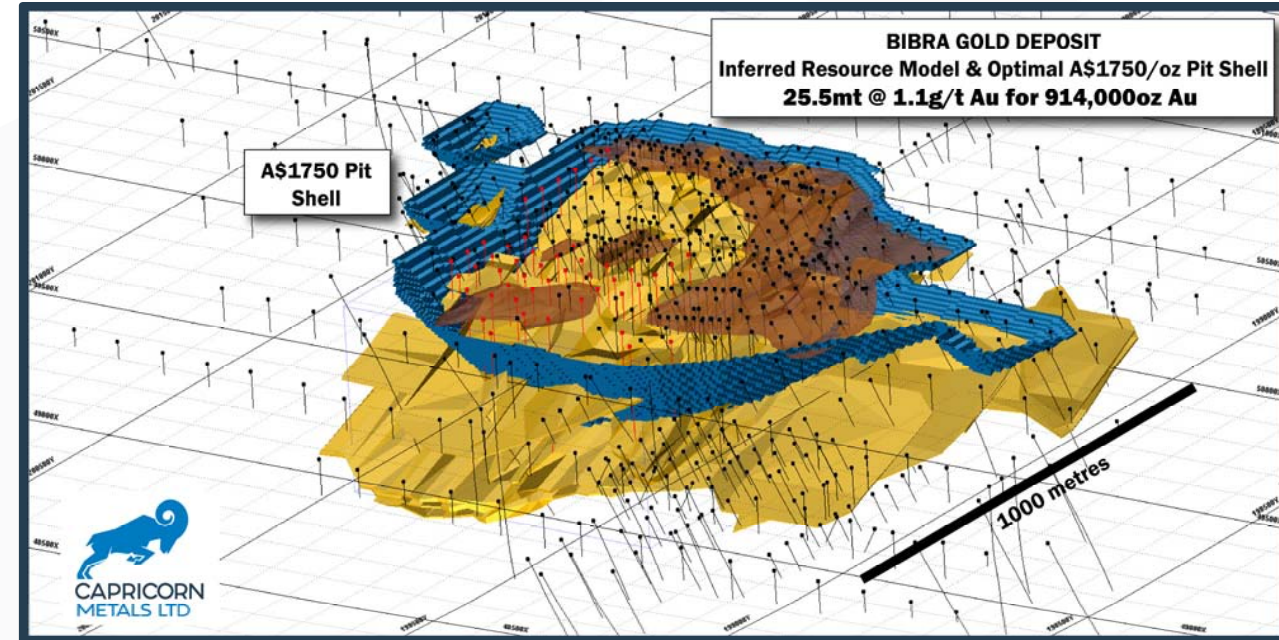
313 RC drill holes: 52,202 metres

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\$1750/oz optimal pit shell

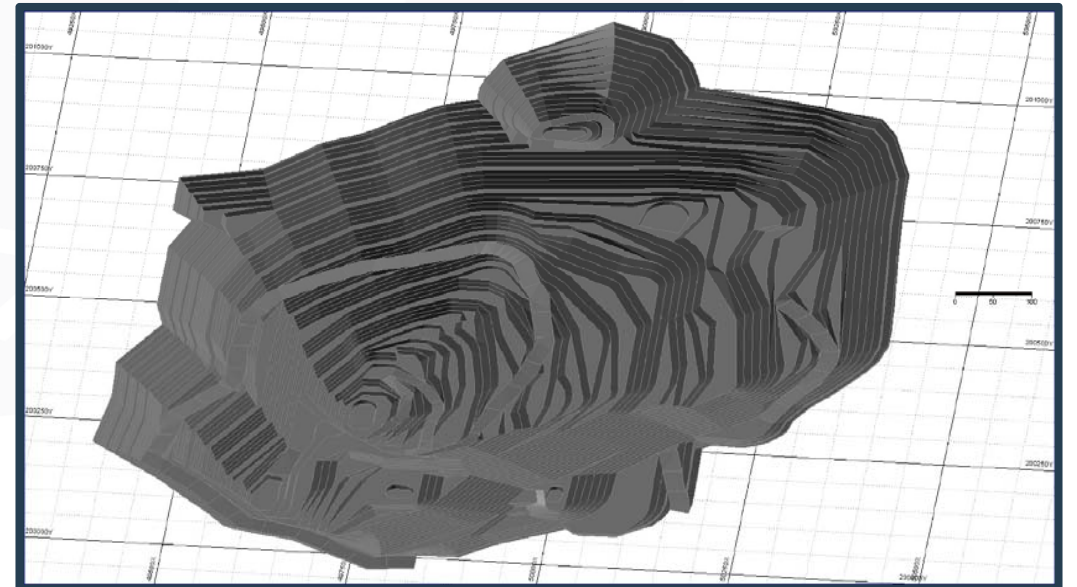
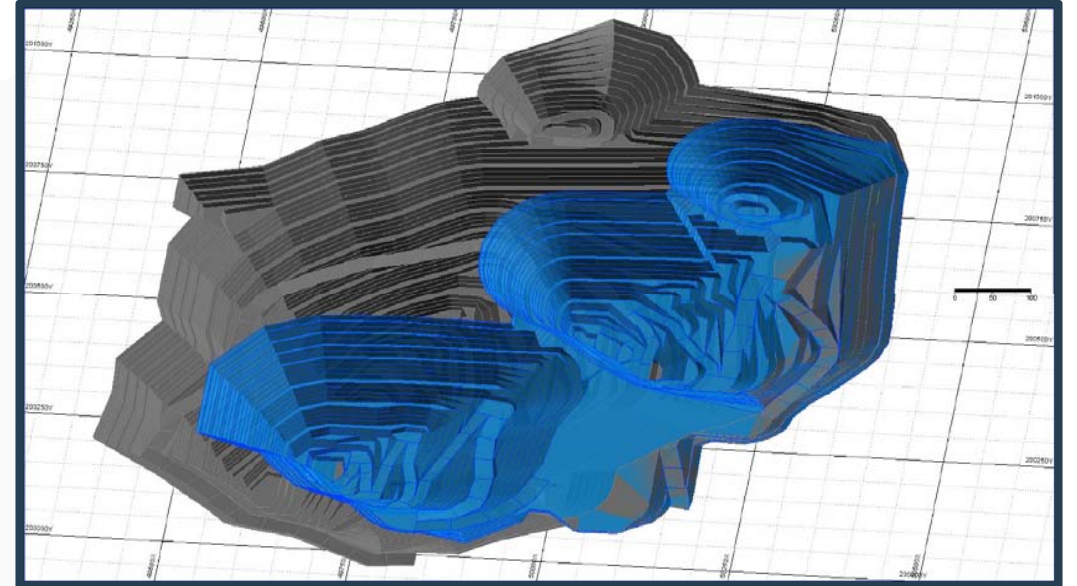
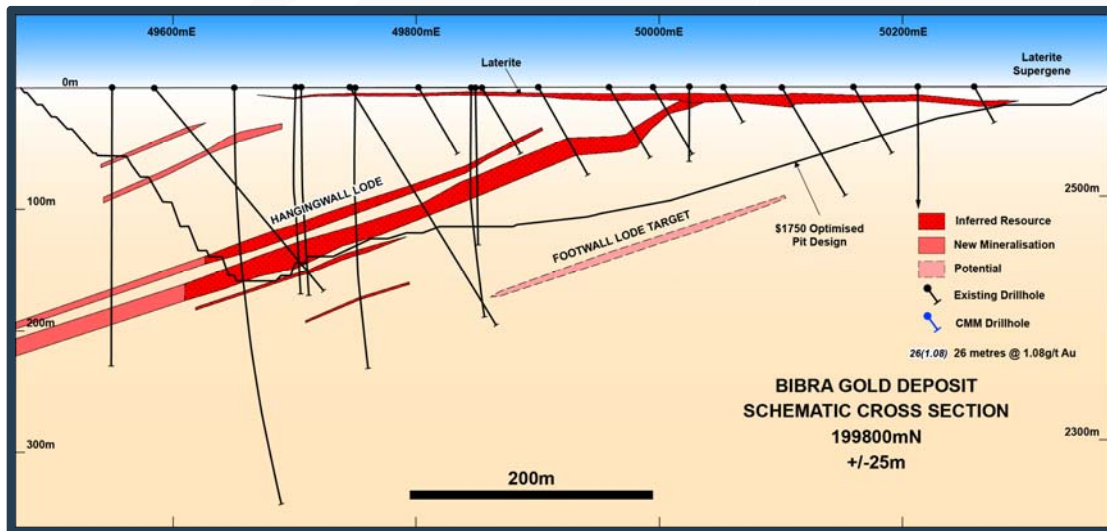


Straight to Definitive Feasibility Study

Strong, positive results of scoping study

MINING STUDIES

- Large-scale open pit: staged pit opportunity
- Near surface ounces
 - Laterite and saprolite: 220,000 ounces
- Attractive modelled stripping ratios
 - Flat dipping geometries
 - Multiple stacked lodes
 - Favourable geotechnical conditions

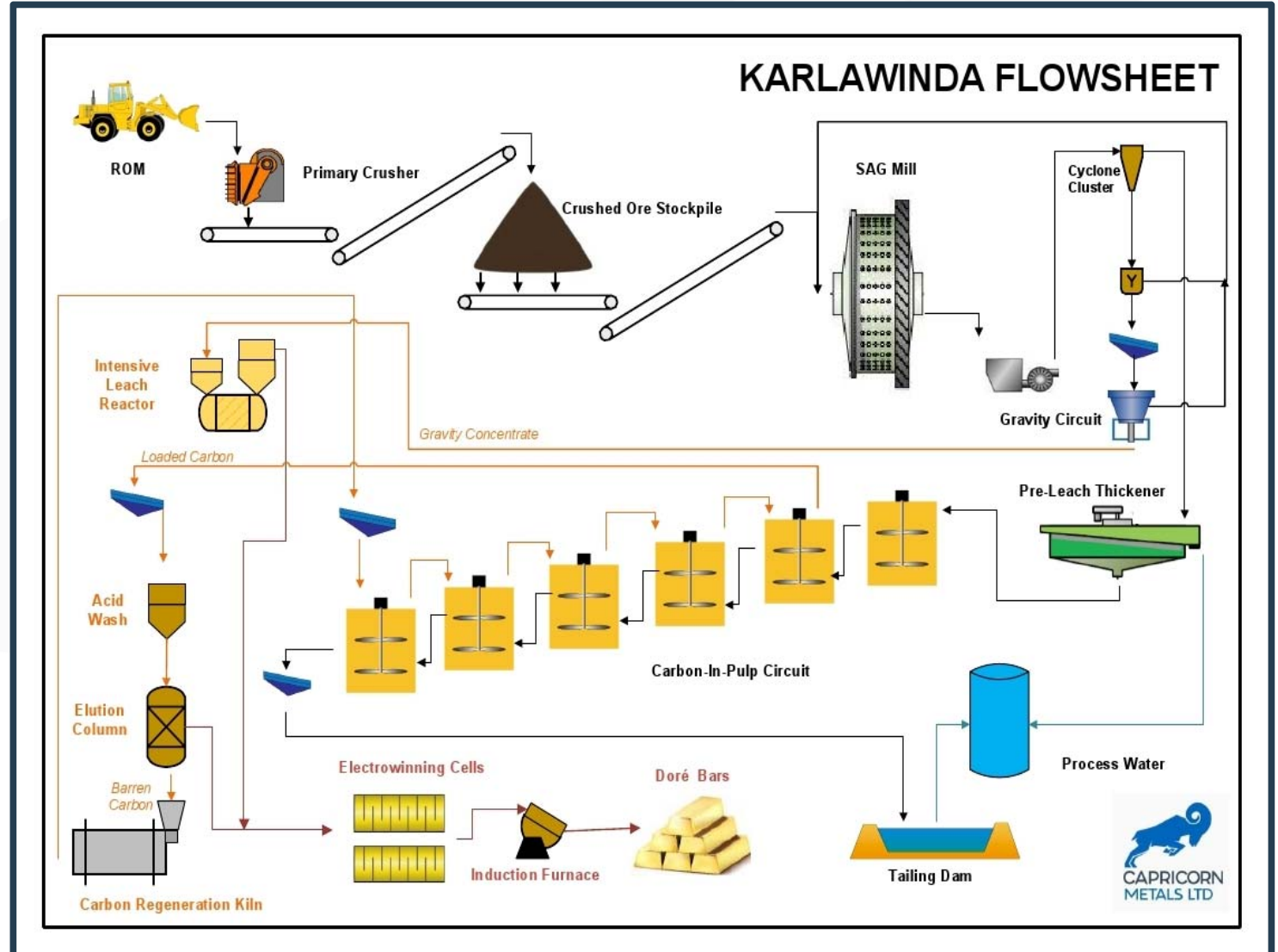


Straight to Definitive Feasibility Study

Strongly Positive Results of Scoping Study

PROCESSING STUDIES

- Metallurgy is simple
- Conventional processing
- 91-93% recoveries
- Coarse grind size (106 micron)
- 30% of gold gravity recoverable
- Economy of scale:
 - 2.5 to 3.0Mtpa plant
- Plant design work by Mintrex
- Good quality water

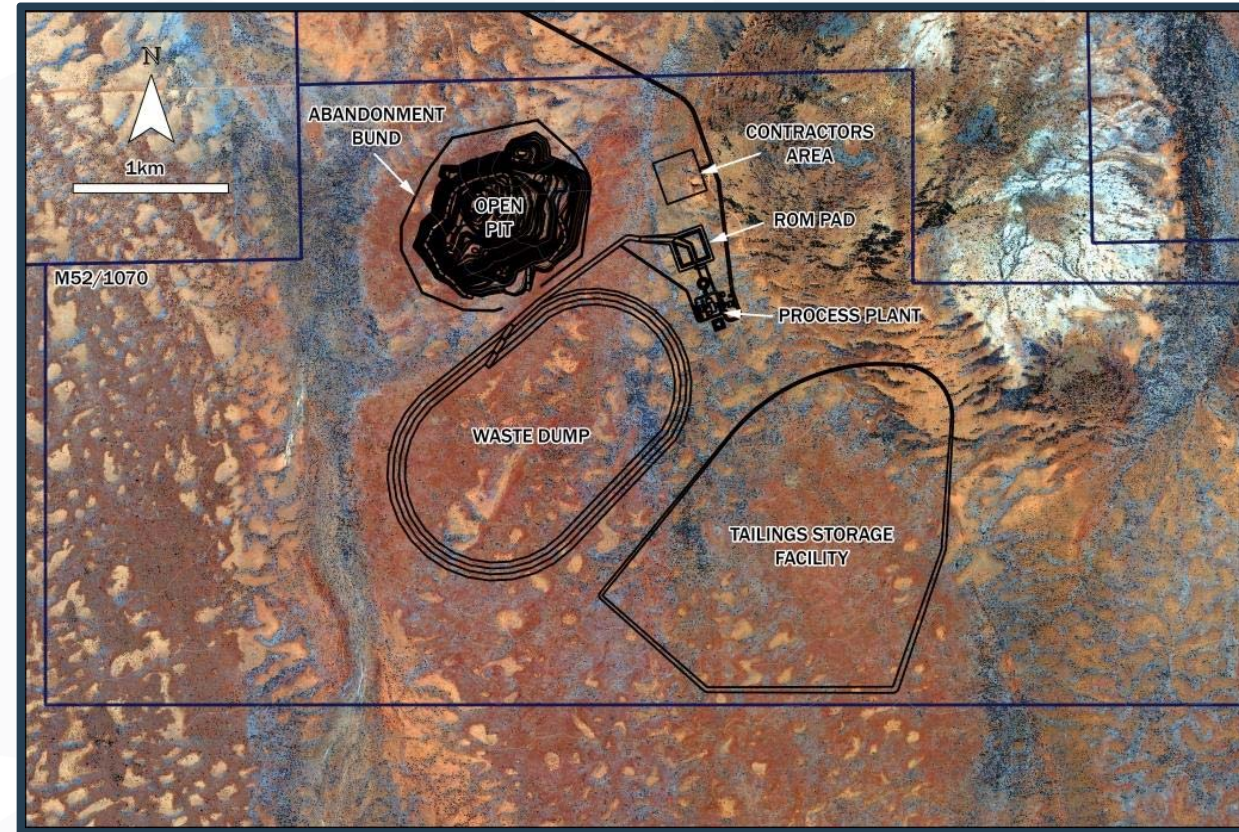


Straight to Definitive Feasibility Study

Strongly Positive Results of Scoping Study

ENVIRONMENT AND PERMITTING

- Studies indicate low environmental impact
 - Flora and Fauna
 - Subterranean species
 - Water systems
- Mining Lease Application (M52/1070)
 - recommended for grant subject to NT process
- Single registered NT Claimant Group
 - Positive discussions commenced



Conceptual site layout plan



- [illegible]

Exploration Strategy

Major Growth Project

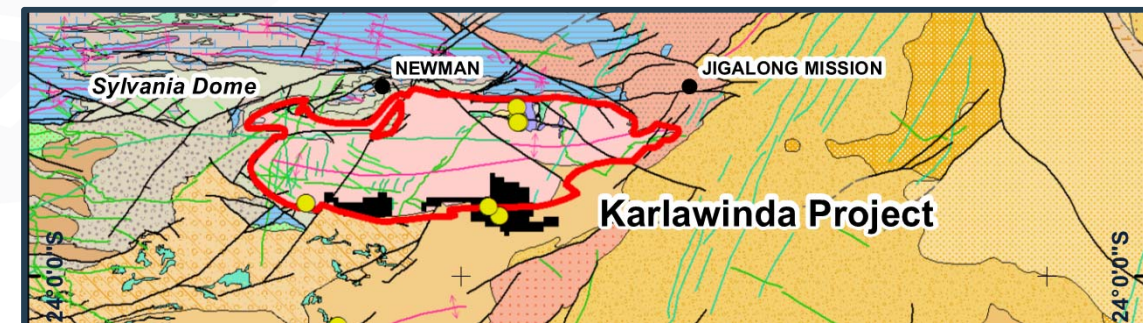
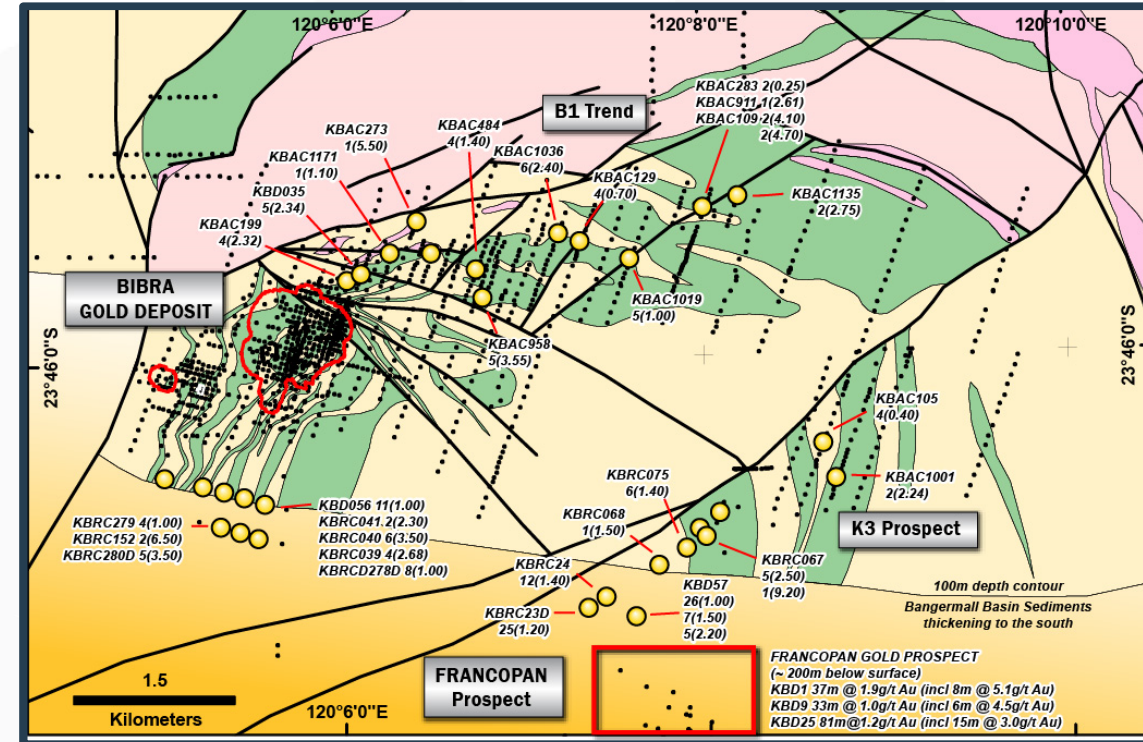
- Target significant expansion of current resource base
- Extension of potential mine-life
- Target areas identified as prospective for high-grade gold mineralisation
 - Open Pit
 - Underground
- Well funded: dedicated exploration budget



Exploration Strategy

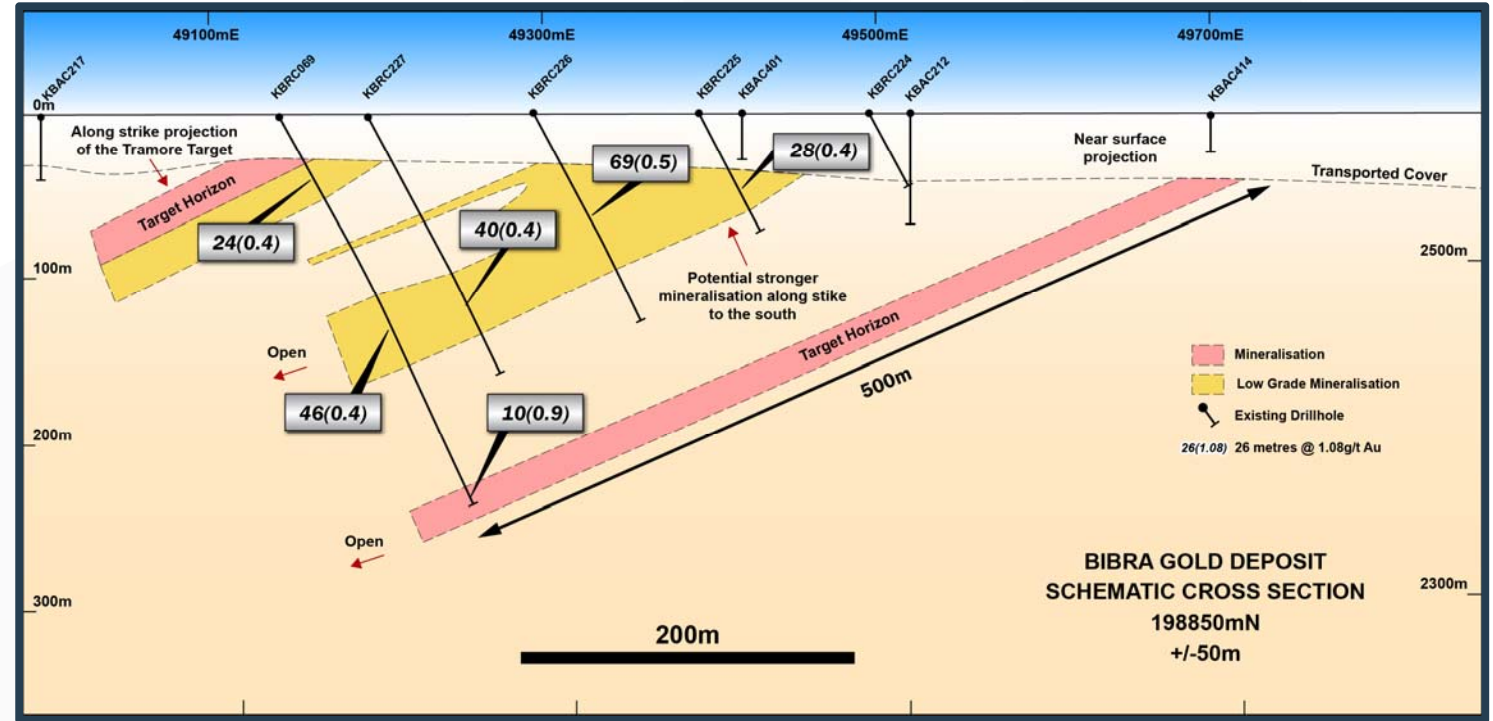
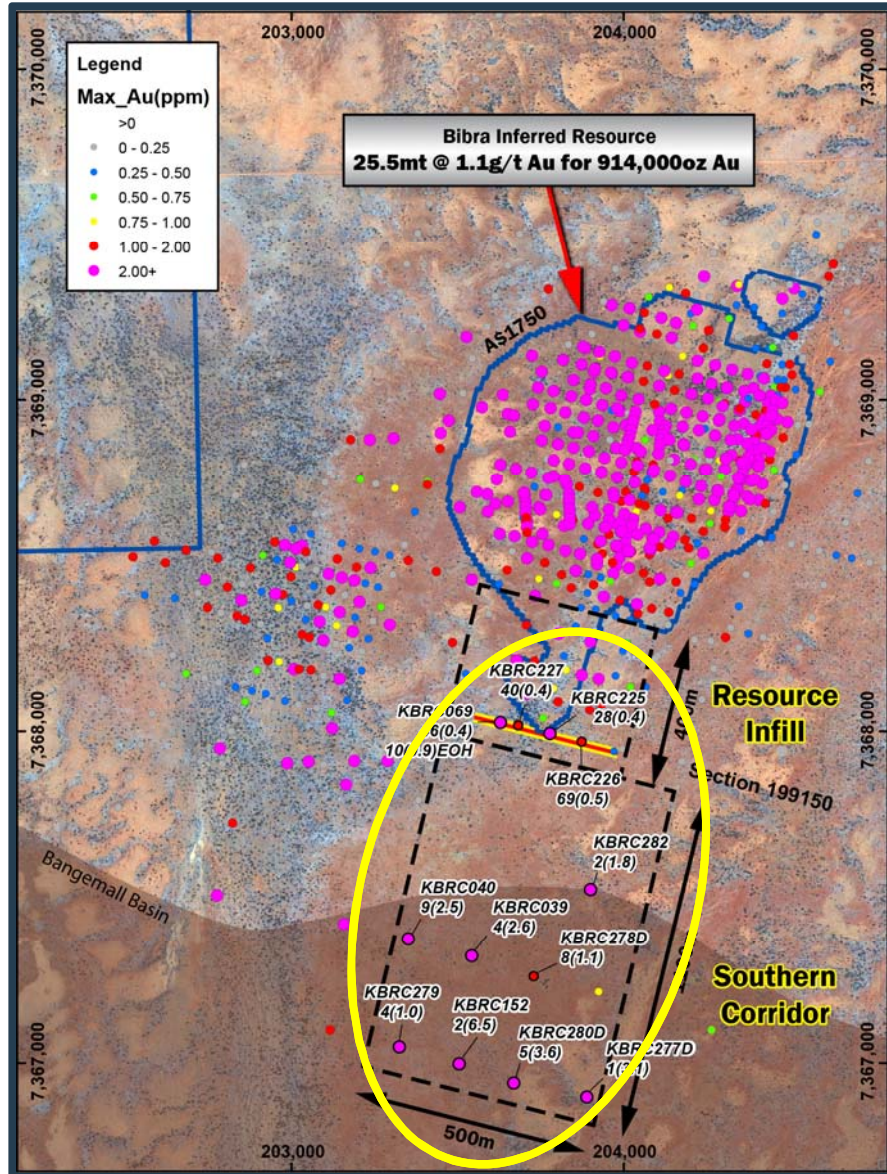
Major Growth Project

- New gold province
 - Recent discovery (2005)
 - Large-scale Archaean gold system rapidly emerging
- High Potential Exploration Targets
 - 5 major near-surface targets within 500m of Bibra Resource
 - Targeting high grade mineralisation in open pit and underground locations within 8km zone
 - Systematic, effective exploration to run in parallel with ongoing resource work



Exploration Targets

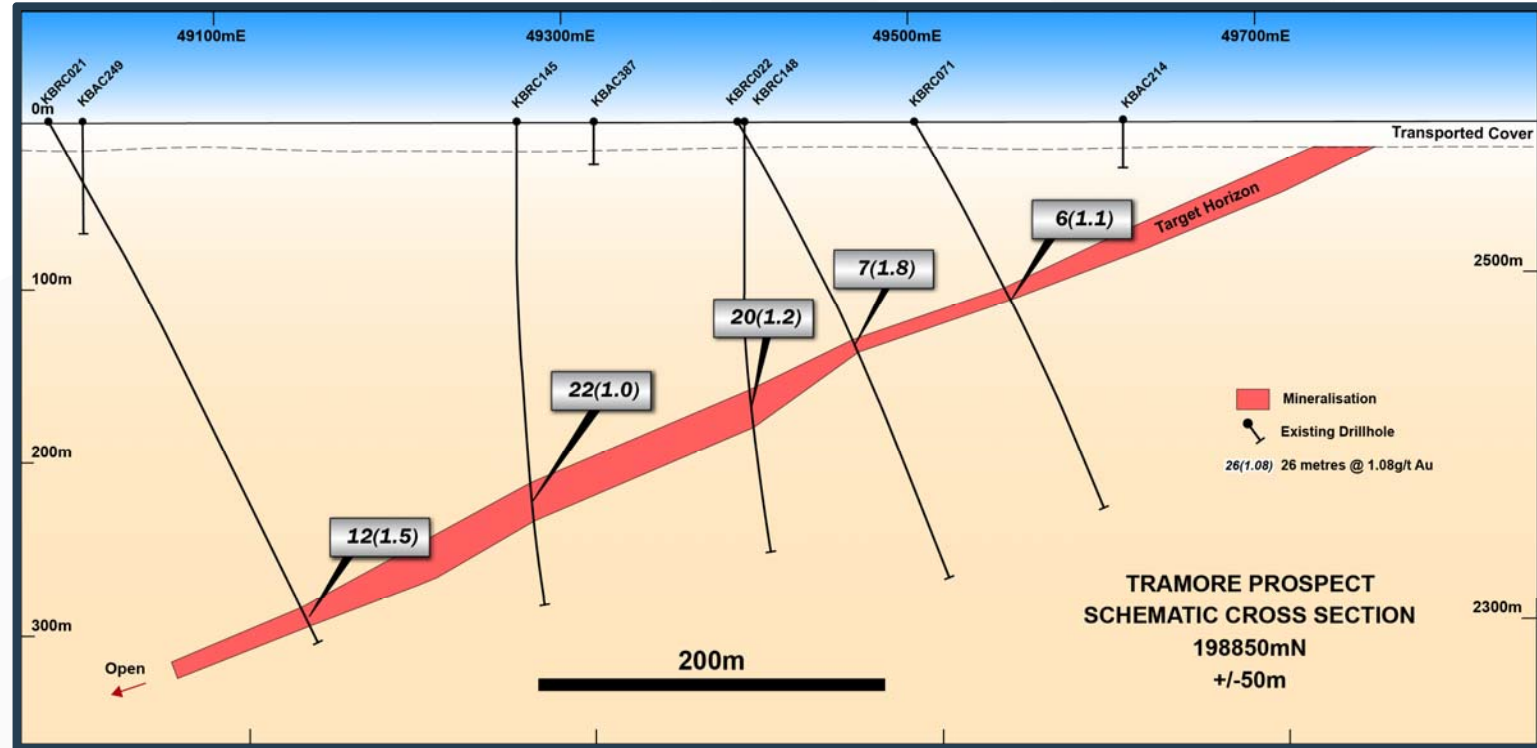
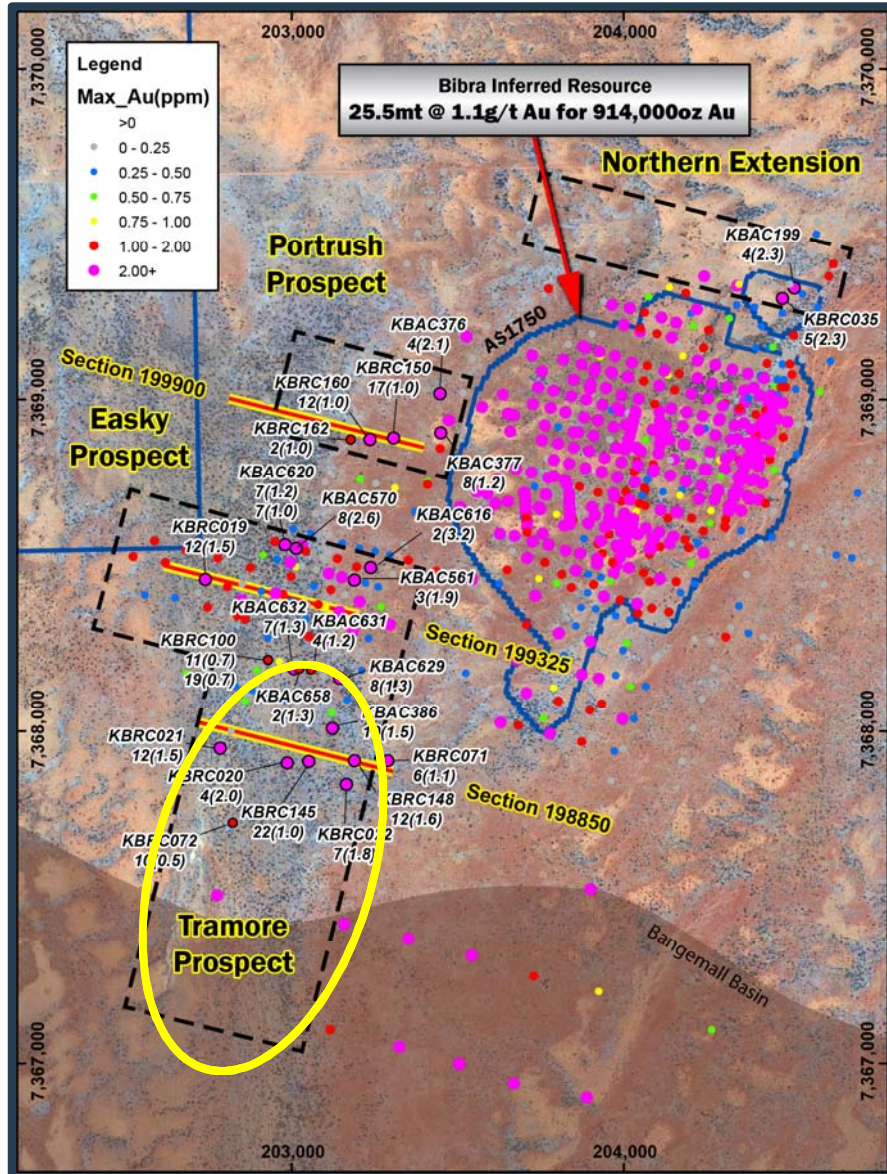
Southern Corridor



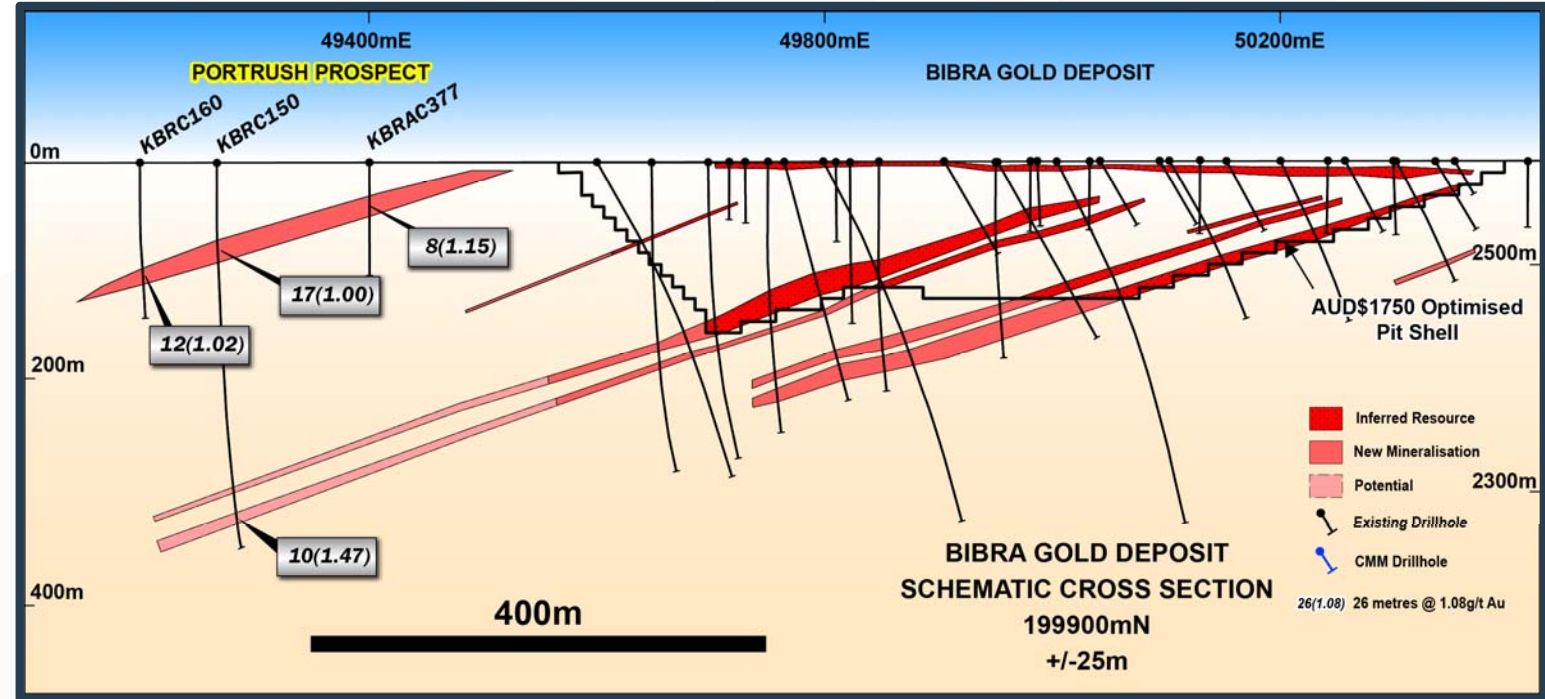
- KBRC040: 9 metres @ 2.5g/t Au
- KBRC039: 4 metres @ 2.6g/t Au
- KBRC278D: 8 metres @ 1.1g/t Au
- KBRC279D: 4 metres @ 1.0g/t Au
- KBRC152: 2 metres @ 6.5g/t Au
- KBRC280D: 5 metres @ 3.6g/t Au

Exploration Targets

Tramore Prospect



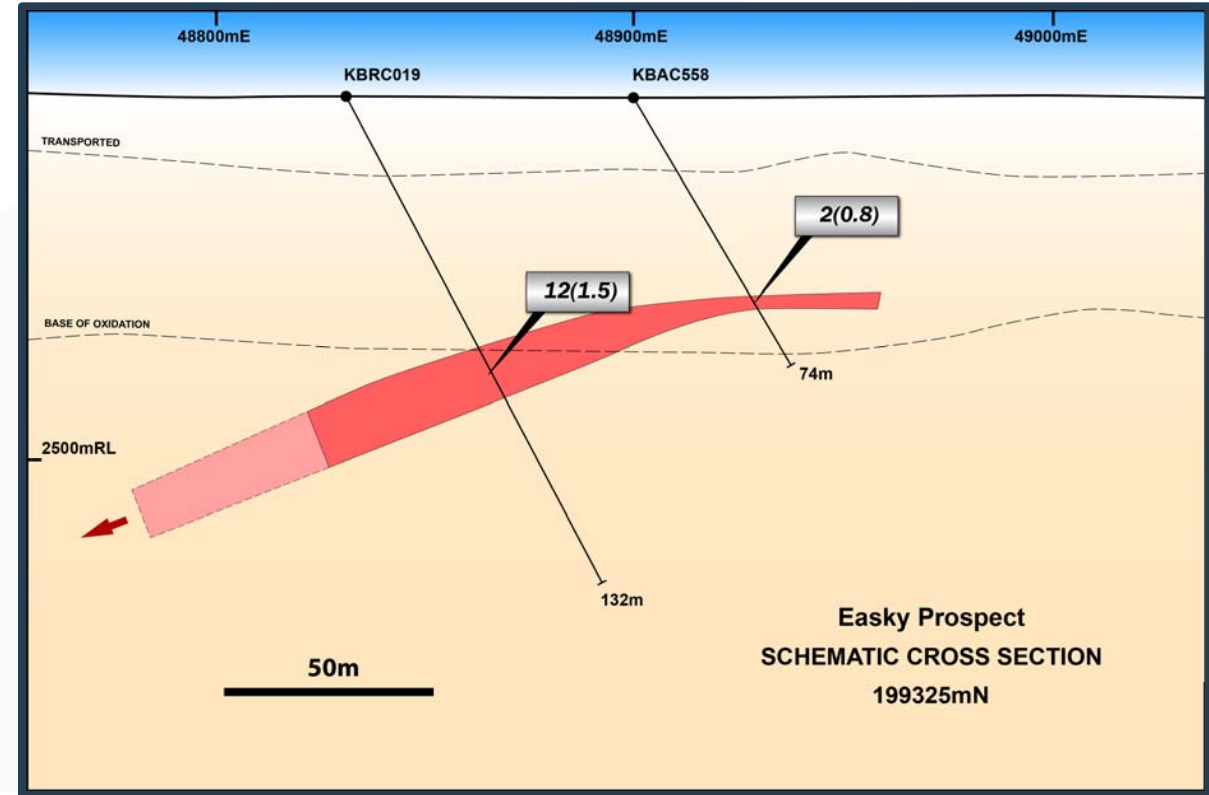
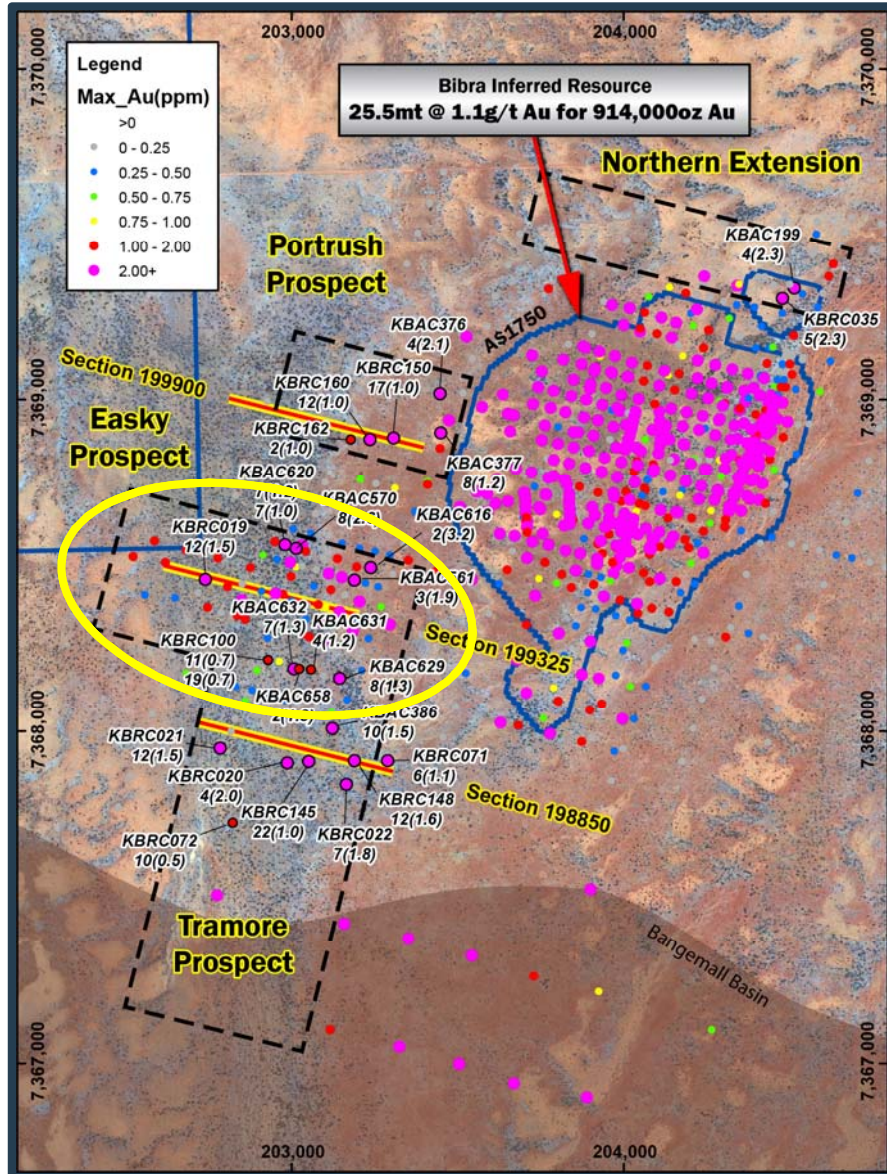
- KBRC021: 12 metres @ 1.5g/t Au
- KBRC020: 4 metres @ 2.0g/t Au
- KBRC022: 7 metres @ 1.8g/t Au
- KBRC071: 6 metres @ 1.1g/t Au
- KBRC145: 22 metres @ 1.0g/t Au
- KBRC148: 17 metres @ 1.2g/t Au



- KBAC377: 8 metres @ 1.15g/t Au
- KBAC376: 4 metres @ 2.14g/t Au
- KBRC150: 17 metres @ 1.00g/t Au
- KBRC071: 12 metres @ 1.02g/t Au

Exploration Targets

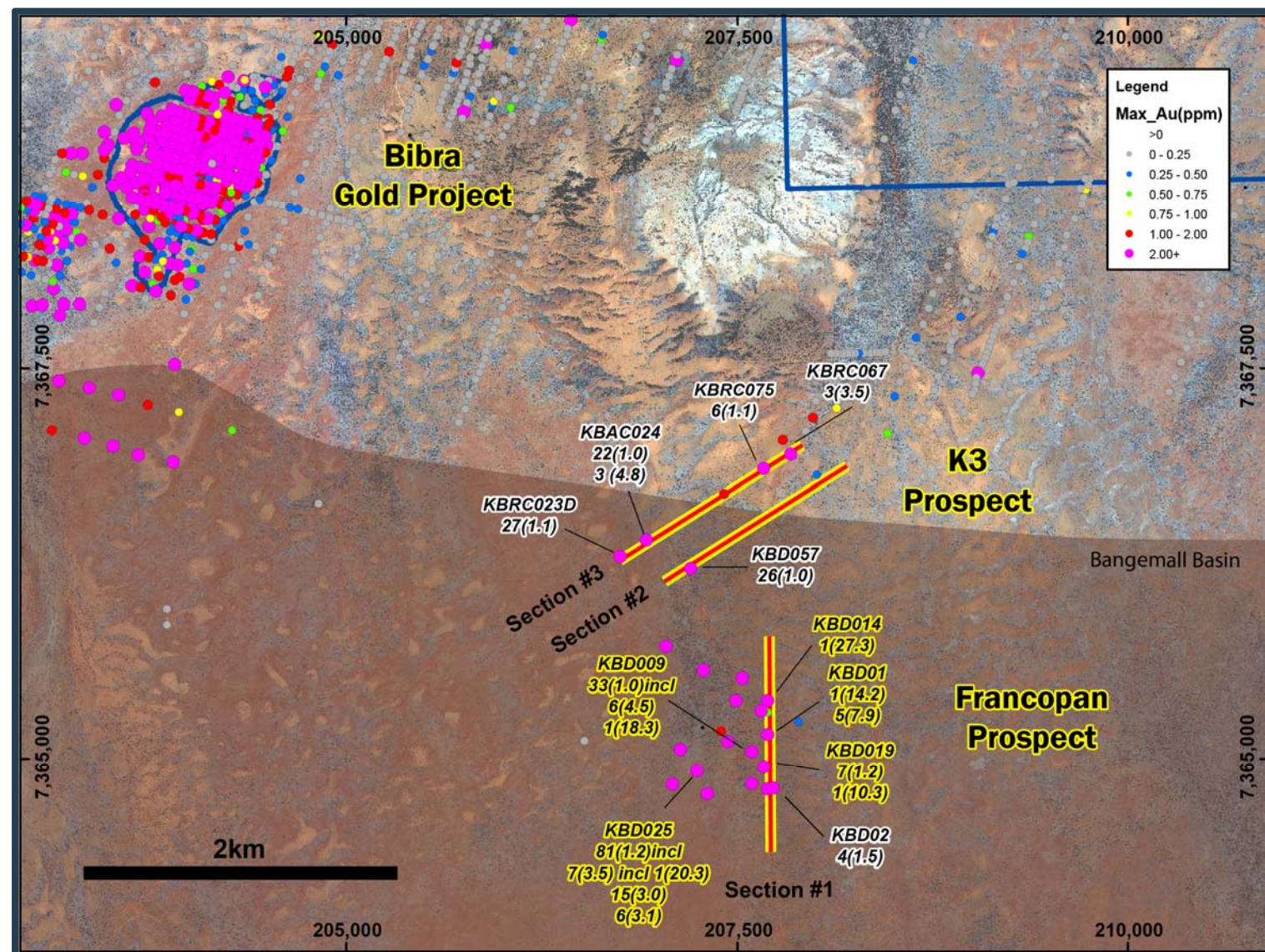
Easky Prospect



- KBRC019: 12 metres @ 1.5g/t Au
- KBAC570: 8 metres @ 2.6g/t Au
- KBRC150: 7 metres @ 1.3g/t Au
- KBAC386: 10 metres @ 1.5g/t Au

Exploration Targets

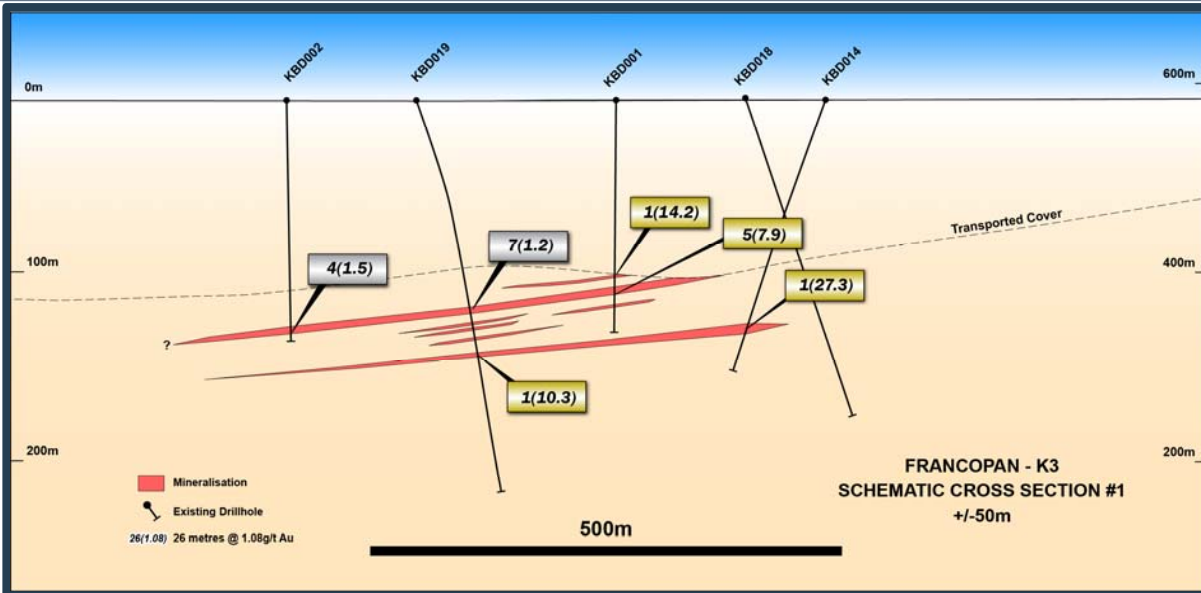
Francopan-K3 Prospect



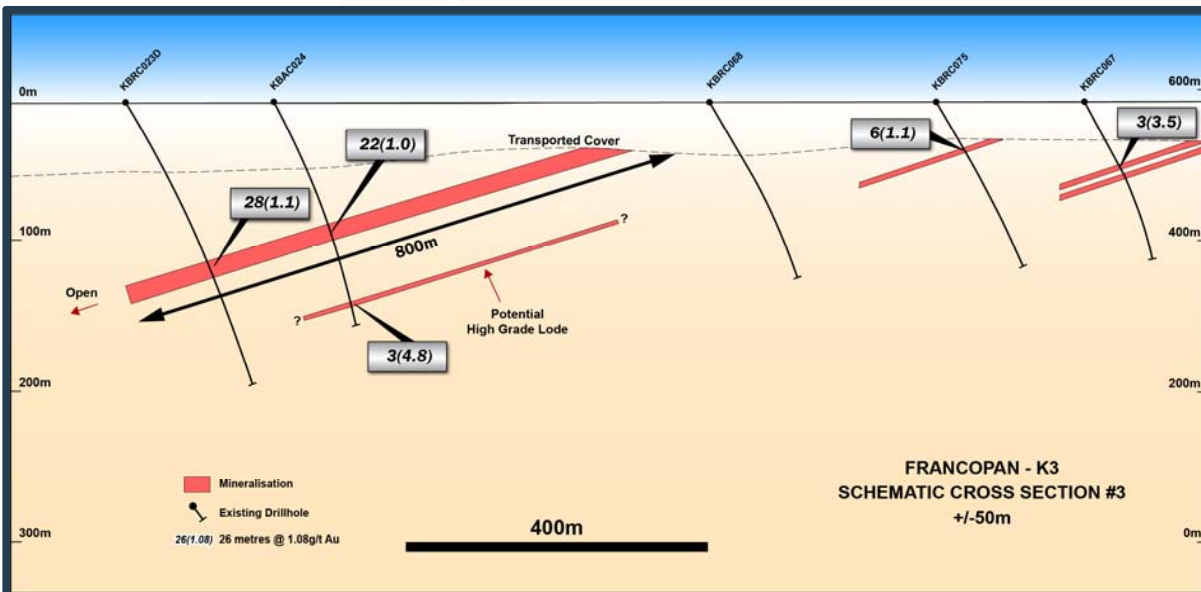
- Large-scale mineralised system 5km from Bibra Deposit
- Strong potential for high grade mineralisation over large area defined by wide-spaced drilling
- 5km x 2.5km target area
- Stacked lodes

Exploration Targets

Francopan-K3 Prospect



- **KBD001:** 37 metres @ 1.9g/t Au. Includes:
8 metres @ 5.1g/t Au and 1 metre @ 21.8g/t Au
- **KBD009:** 33 metres @ 1.0g/t Au. Includes:
6 metres @ 4.5g/t Au and 1 metre @ 18.3g/t Au
- **KBD025:** 81 metres @ 1.2g/t Au. Includes:
7 metres @ 3.5g/t Au (includes 1 metre @ 20.3g/t Au)
15 metres @ 3.0g/t Au
6 metres @ 3.1g/t Au



- Large Scale gold system
- Scoping positive --→ DFS by 2Q 2017
- 60,000m Infill & Exploration Drilling underway
- Pipeline of positive news flow