

DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Completion of the acquisition of Goldview Metals Pty Ltd and its 100% interest in the Island Gold Project, located in Cue Western Australia**
- **Successfully completed a \$2.6M capital raising to fast-track exploration at the Island Gold Project, consisting of:**
 - \$1.6M placement (before costs) to institutional and sophisticated investors
 - Strongly supported entitlement offer, raising \$1.0M (before costs)
- **Over 5,000m of RC drilling completed during the quarter at the Island Gold Project with exceptional intercepts received from New Orient and Baxters, with intercepts that included but not limited to:**
 - BB0041: **14.0m @ 6.0 g/t Au from 58m incl. 6.0m @ 9.0 g/t Au from 64.0m** (New Orient)
 - BB0047: **9.0m @ 7.5 g/t Au from 114m incl. 5.0m @ 12.6 g/t Au from 114m** (New Orient)
 - IS0100: **7.0m @ 5.6 g/t Au from 82m incl. 2.0m @ 10.0 g/t from 84m** (Baxters)
- **Results received from RC drill program at Northampton which included:**
 - CNHRC001: **17.0m @ 8.26% Pb and 0.25% Cu from 21.0m**
 - These results to be followed up in Q1 2021
- **Appointment of Michael Caruso and Adam Miethke as Non-Executive Directors**
- **Strong \$4.5M cash position allows Caprice to pursue an aggressive exploration strategy in CY2021**

Corporate Update

During the quarter Caprice Resources Limited (ASX: CRS) (Caprice or the Company) completed the transformational acquisition of Goldview Metals Pty Ltd, which wholly owns the Island Gold Project located in Cue, Western Australia. The acquisition was approved by Shareholders at the Company's General Meeting held on 25 September 2020.

As part of the acquisition, the Company has also successfully completed a capital raising of \$2.6 million (before costs) by way of a \$1.6 million placement and associated entitlement issue to raise an additional \$1.0m at an issue price of \$0.18 per share bolstering the balance sheet ahead of multiple exploration campaigns.

Adam Miethke and Michael Caruso were both appointed to the Board as Non-Executive Directors and David Church transitioned to the role of Non-Executive Chairman following the resignation of Bryn Hardcastle.

The Company has retained a strong cash position with \$4.5 million as at 31 December 2020.

The Island Gold Project – Western Australia

The Project covers 21km² of highly prospective tenure in the richly endowed Cue Gold Field and contains many of the historical gold mines of the Lake Austin gold mining centre. The Project comprises two granted mining leases and one exploration license (M21/66, M21/140 and E21/186) covering the New Orient, The Island and North Island properties. The Project lies adjacent to the Great Northern Highway and is located 630km north of Perth, 60km north of Mt Magnet and 20km south of Cue.

The Island Project thus far consists of three key targets, namely New Orient, Baxters and Golconda. These deposits are epigenetic and associated with major faults and shear zones hosted in banded iron formation (BIF), mafics and volcano-clastic rocks. Analogues for the style of mineralisation being sought are Mt Magnet style orebodies including the Hill 50 deposit, hosted by BIF that have been intersected by major fault structures.

During the quarter, the Company completed two campaigns predominantly covering the New Orient and Baxters prospects. The primary aim of these programs was to understand the geological relationship between the faults/shear zones and BIF and to incorporate these findings into the future exploration strategy. The Company has been highly encouraged by its preliminary results.

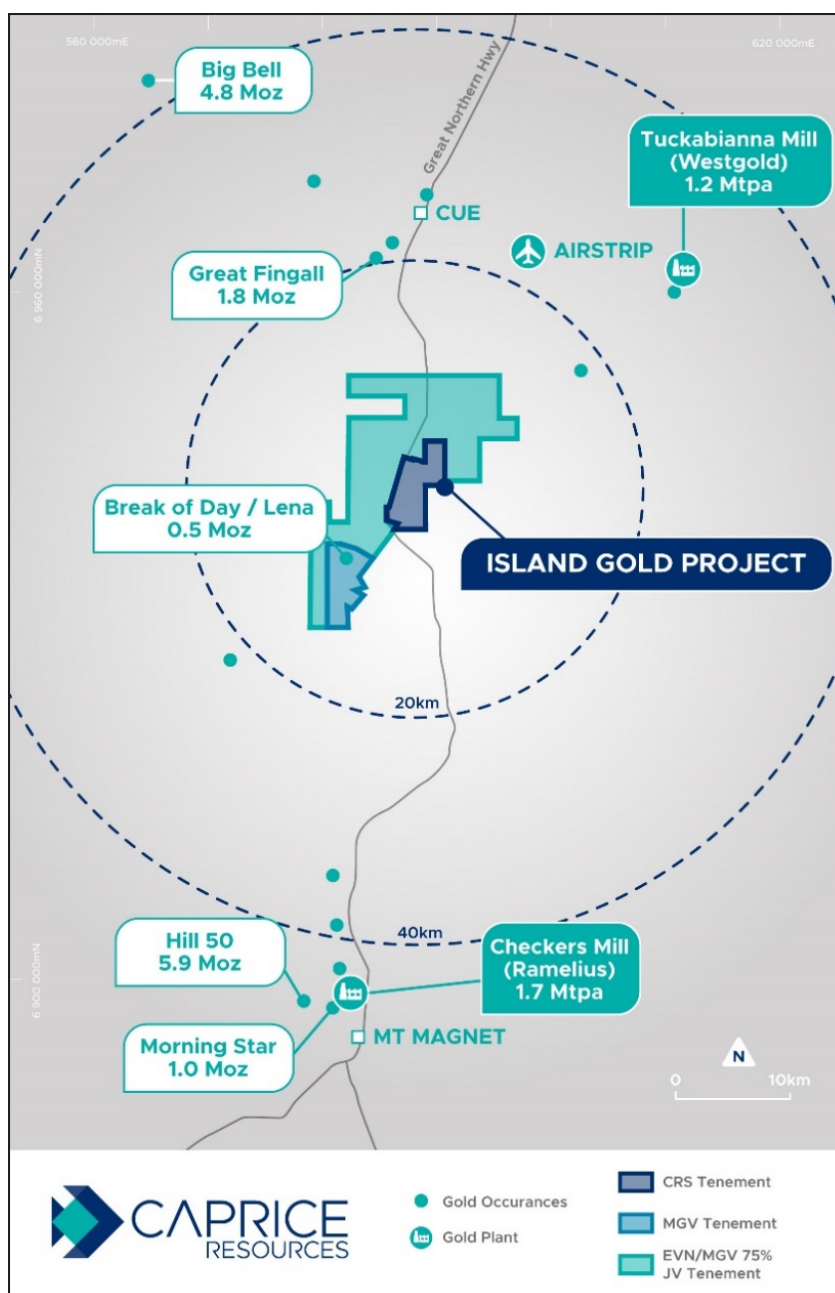


Figure 1: The Island Project Location

New Orient

Drilling at New Orient during the quarter aimed to confirm and extend the known zones of mineralisation along-strike to the north and south, proximal to the interpreted cross cutting fault and the historical shallow mine workings.

The results received to date from the drilling have confirmed the continuity of thick high-grade mineralisation at depth in the south of the interpreted fault. Drilling to the north of the interpreted fault also reported intersections of significant high-grade gold mineralisation, albeit at a slightly different plunge to that observed to the south of the interpreted fault.

Significant results from New Orient received during the quarter include:

- BB0047: **9.0m @ 7.5 g/t Au from 114m incl. 5.0m @ 12.6 g/t Au from 114m**
- BB0045: **6.0m @ 4.2g/t Au from 48m incl. 2.0m @ 10.7 g/t Au from 49m**
- BB041: **14.0m @ 6.0 g/t Au from 58m incl. 6.0m @ 9.0 g/t Au from 64m**
- BB035: **8.0m @ 8.4 g/t Au from 76m incl. 4.0m @ 14.7 g/t Au from 76m**
- BB038: **8.0m @ 7.5 g/t Au from 69m incl. 3.0m @ 12.5 g/t Au from 12m**

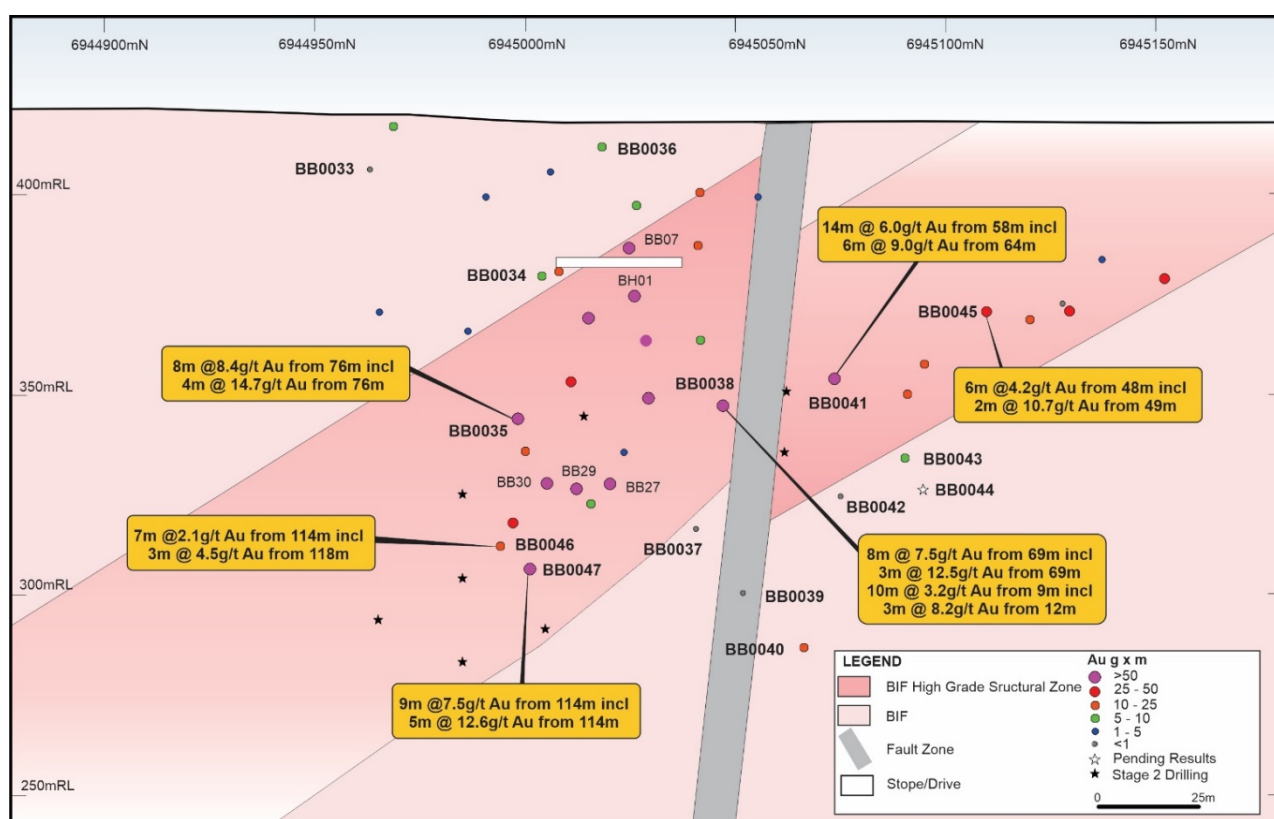


Figure 2: New Orient Long Projection long-section illustrating historical intercepts and current drill hole pierce points

Baxters

In total, 5 RC holes were completed at Baxters-Golconda for a total of 1,573m. The 10 holes at Baxters were drilled along strike and down plunge, stepping out ~80m from the previous drilling and historical workings.

Caprice initially tested the area immediately to the north of historical drilling at Baxters (Figure 1). Drilling identified the displacement of the Baxters orebody caused by a series of fault jogs in the

eastern portion of the drill pattern and the results will refine the second phase drill program scheduled to commence in Q1 CY2021. The most significant intercepts include:

- IS0100: **7m @ 5.6 g/t Au from 82m incl. 2m @ 10.0 g/t Au from 84m**
- IS0088: **11m @ 3.1 g/t Au from 46m incl. 2m @ 10.1 g/t Au from 54m**
- IS0090: **4m @ 3.2 g/t Au from 63m**
- IS0097: **4m @ 3.0 g/t Au from 70m incl. 1m @ 7.2 g/t Au from 72m**

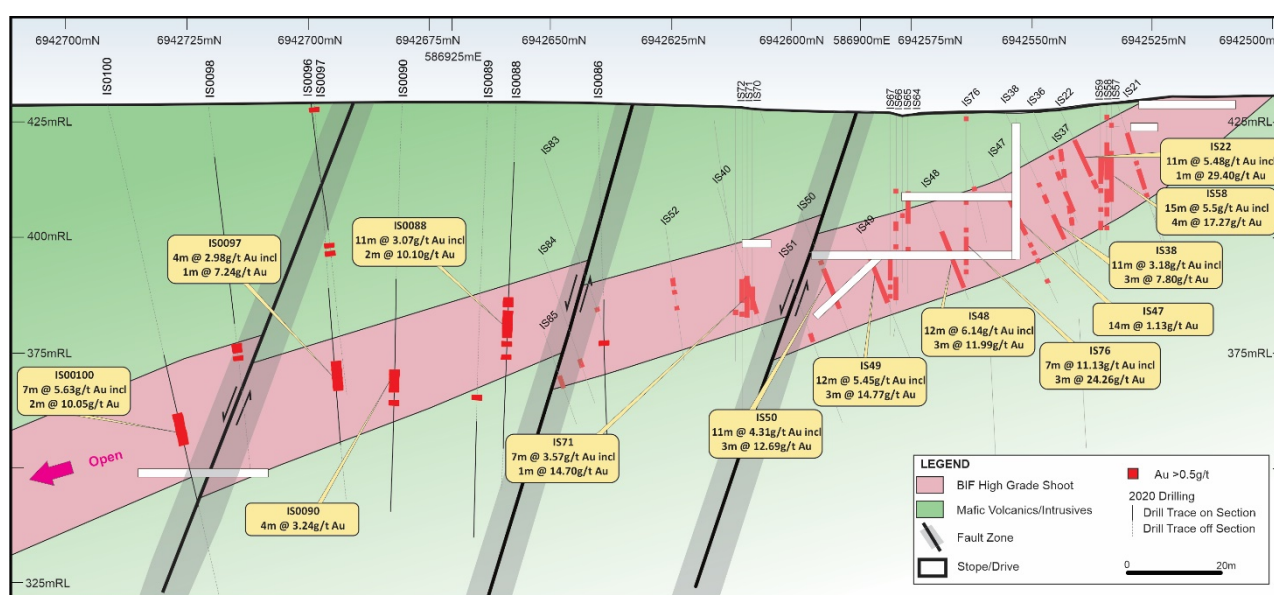


Figure 3: Baxters Long Section illustrating historical mine working, drilling intercepts

Baxters main shoot is interpreted to have been faulted to the east. These faults are interpreted to be south easterly thrusts which offset gold mineralisation within the BIF and have potentially remobilised gold proximal to the thrusts (Figure 2).

The best intersection (IS0100) was from the deepest and most northerly hole and intercepted 7m @ 5.6 g/t Au from 82-89m (c. 75m depth from surface). This zone is adjacent to the old North Golconda workings directly below an old stope of 2m from 80-82m. Importantly, the 7m intercept reported in IS0100 represents a broader pyrrhotite associated gold bearing altered BIF surrounding the historical stope that was likely targeting a visible high-grade quartz vein.

These workings are not extensive, and it is expected that further complete mineralised zones continue along strike to the north and will be targeted in future drill programs.

Northampton Project – Western Australia

During the quarter, the Company received assay results from the RC drilling campaign at the Wheal Fortune prospect at the Northampton Base Metals Project. Caprice drilled 5 holes across a zone between the historical Wheal Fortune and the Wheal Fortune Extended prospects. Drilling was planned based on limited historical information using existing cleared sites.

Two holes intersected significant base metal zones, with galena and chalcopyrite the dominant sulphide minerals. Results have produced significant intercepts including:

- CNHRC001: **17.0m @ 8.26% Pb and 0.25% Cu from 21.0m; including**
 - **5.0m @ 16.74% Pb and 0.25% Cu from 21.0m.**
- CNHRC002: **31.0m @ 1.12% Cu, 2.02% Pb and 9g/t Ag from 11.0m; including**
 - **12.0m @ 2.94% Cu, 2.94% Pb and 12g/t Ag from 30.0; and**
 - **3.0m @ 3.78% Cu, 3.78% Pb and 3g/t Ag from 33.0m.**

Holes CNHRC003-CNHRC005 failed to intersect the sulphide zone and are interpreted to have passed below the zone of mineralisation and drilled through the footwall.

The drill holes were designed to test for depth extensions to the Wheal Fortune and the Wheal Fortune Extended historical copper lead mines which operated between 1862-1868 over a length of 223m and down to ~90m in depth. The deposits historically produced a combined total of 3,015 tonnes of lead concentrate at 75% Pb and 2,681 tonnes of copper ore at 17% Cu.

Mineralisation is hosted in a garnet bearing granitic gneiss with a north east trending shear hosting quartz and sulphides, with the dominant sulphides being galena, pyrite and chalcopyrite. The sulphide composition varies strongly between the two holes and further drilling will be required to test the zone above holes 3 to 5 and at depth to determine the economic significance of these high-grade intercepts (see figure 5). Follow up drilling is also required to determine the true widths of the mineralisation.

Following the initial drilling success at Northampton, Caprice plans to undertake a detailed review of the project to consider the next steps.



Figure 4: Plan view of Northampton drilling locations and results

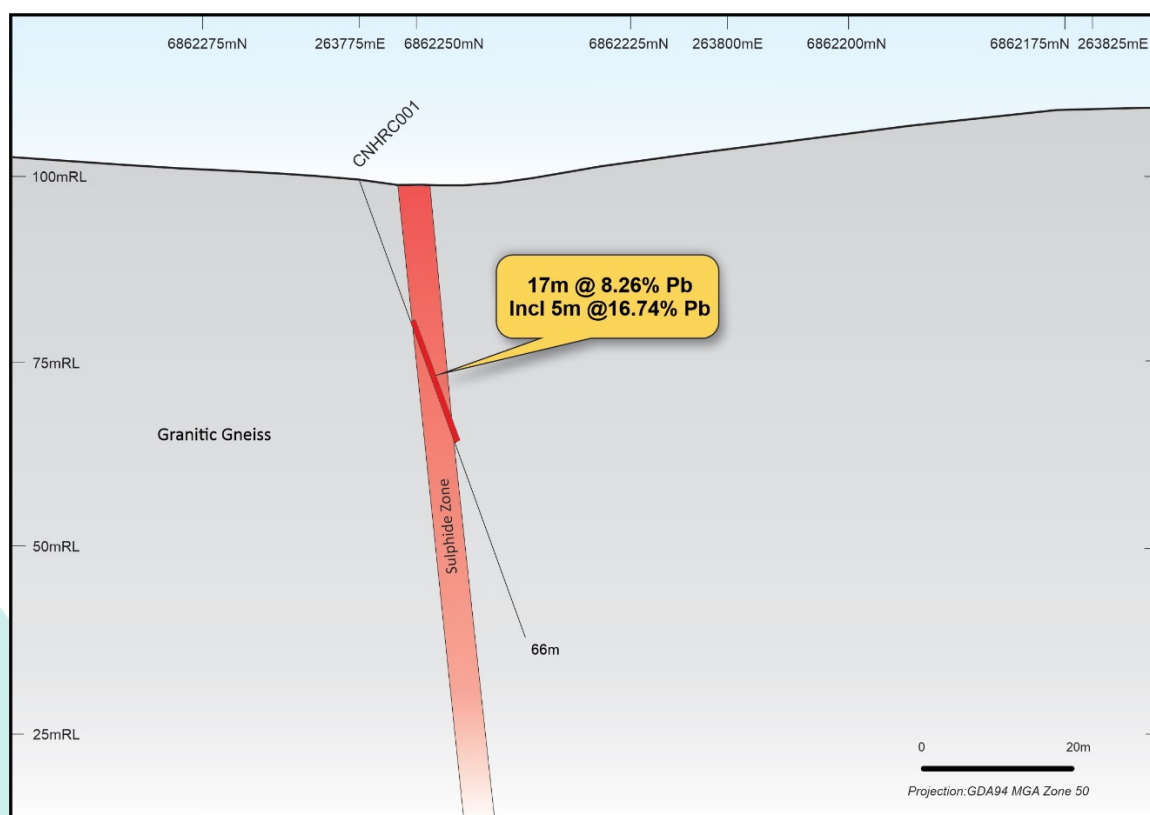


Figure 5: Cross section of Northampton looking north-east

Wild Horse Hill Project – Northern Territory

No work was completed on the Wild Horse Hill Project during the quarter.

For further information please contact:

Scott Patrizi
Executive Director

Competent Persons' Statements

The information in this report that relates to the exploration results for the Island Gold Project has been compiled by Mr David Jenkins, a full time employee of Terra Search Pty Ltd, geological consultants employed by Caprice Resources Ltd. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("JORC Code"). Mr Jenkins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. This information was first reported to the ASX on 6 August 2020, 9 and 18 November 2020 and 8 December 2020 and the Company confirms there has been no further information that materially affects the results.

The information in this report that relates to the exploration results for the Northampton Project has been compiled by Mr David Jenkins, a full-time employee of Terra Search Pty Ltd, geological consultants employed by Caprice Resources Ltd. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves ("JORC Code"). Mr Jenkins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. This information was first reported to the ASX on 1 October 2020 and the Company confirms there has been no further information that materially affects the results.

About Caprice Resources

Caprice Resources Limited (ASX: CRS) holds a 100% interest in the Island Gold Project, located in the Lake Austin gold mining centre in the Cue Goldfield. The Project comprises two granted mining leases and one exploration license (M21/66, M21/140 and E21/186) covering the New Orient, The Island and North Island properties. Caprice acquired the Project in October 2020 and undertook its maiden drill campaign in November 2020, confirming multiple high-grade gold targets that are being systematically explored.

The Company holds a 100% interest in the Northampton Project, a polymetallic brownfields project surrounding historical lead-silver and copper mines that were operational between 1850 and 1973. Caprice also holds a 100% interest in the Wild Horse Hill Gold Project located within the Pine Creek province of Northern Territory.

Appendix 1: Schedule of Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2020.

Project	Licence Number	Location	Interest
Island Gold	M 21/66	Western Australia	100%
	M 21/140	Western Australia	100%
	E 21/186	Western Australia	100%
Northampton	E 66/98	Western Australia	100%
	E 66/99	Western Australia	100%
Wild Horse Hill	EL 30951	Northern Territory	100%
	EL 30964	Northern Territory	100%

The tenements comprising the Island Gold Project were acquired during the quarter via the 100% acquisition of Goldview Metals Pty Ltd.

There were no tenements disposed of during the quarter.

Appendix 2: Use of Funds

In line with its obligations under ASX Listing Rule 5.345, Caprice Resources Limited provides the following information with respect to its Use of Funds Statement set out in its Replacement Prospectus dated 2 November 2018 and its actual expenditure since ASX admission on 3 December 2018 to 31 December 2020. Material variances are explained in the notes.

Expenditure Item	Use of Funds for 2 Years to 3 December 2020	Actual for period 3 December 2018 to 31 December 2020	Variance
Source of Funds	\$	\$	\$
Opening cash	200,000	185,395	(14,605)
Proceeds from Public Offer	4,500,000	4,500,000	-
Proceeds from 2020 Share Issues	-	2,600,000	2,600,000
Proceeds from Exercise of Options	-	206,250	206,250
Total	4,700,000	7,491,645	2,791,645
Use of Funds	\$	\$	\$
Geological mapping, geophysics and heritage surveys	550,000	330,874	219,126
Soil/rock chip sampling & RC drilling	1,520,000	208,829	1,311,171
Diamond drilling	500,000	-	500,000
Metallurgy	300,000	-	300,000
General administration fees and working capital	1,058,396	1,087,020	(28,624)
Estimated expenses of the Offer	465,671	432,029	33,642
Interest / other income	-	(94,621)	94,621
Acquisition of Island Gold Project	-	180,000	(180,000)
Exploration and Evaluation of Island Gold Project	-	646,330	(646,330)
Total	4,394,067	2,921,331	1,472,736
Remaining Cash	305,933	4,570,314	4,264,381

Appendix 3: Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Caprice Resources Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 December 2020, pertain to payments to directors for fees, salary and superannuation.