MAJOR NEW EXPLORATION PROGRAM COMMENCES AT KARLAWINDA TO GROW GOLD INVENTORY

Exploration growth strategy ramps up, two rigs on site

HIGHLIGHTS

- The recent update to Capricorn's resource inventory (now 1.3Moz) clearly demonstrates the significant endowment of the Karlawinda Gold Project.
- The recently completed Feasibility Study confirms a robust economic case to develop a significant new Western Australian gold mine at Karlawinda.
- Exploration success and resource expansion will continue to enhance the Project and support a long-term mining operation, well beyond the mine life contemplated in the Feasibility Study.
- The large Bibra Gold Deposit is just one of several potential major gold systems, that are targeted across multiple prospects over the known prospective stratigraphy of at least 10km strike.
- In recent months Capricorn has maintained a strong focus on collecting quality datasets and using them to establish a detailed understanding of the geology and the controls on mineralisation at Karlawinda. The Karlawinda resource can be expected to grow rapidly and at a low discovery cost.
- A series of high-priority targets are now the focus of the next phase of exploration, with two drilling rigs currently being mobilised to the project.

MANAGEMENT COMMENT

Capricorn's Executive Chairman, Heath Hellewell, said: "With our Feasibility Study now completed we are excited to once again ramp up exploration at Karlawinda.

With a robust economic project defined by the Feasibility Study, we seek to continue to add significant value to our Project through ongoing investment in exploration.

The endowment potential and exploration upside across our tenements is exceptional and we are excited by the quality of both our extensional targets at Bibra and our regional targets in this new emerging goldfield."

ASX ANNOUNCMENT

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Capricorn Metals Limited (ASX: CMM) is pleased to advise that the next phase of exploration has commenced at its flagship 100%-owned Karlawinda Gold Project in WA (Figure 1), where the total Mineral Resource has recently been increased to 38.3 million tonnes grading 1.1g/t Au for 1,326,000 ounces[1] of contained gold (see Table 1 and ASX announcement dated 13th November 2017 for details).

The new exploration programs are focused on the continued rapid expansion of the large-scale Bibra gold deposit and testing multiple high-priority prospects over 10km of known prospective stratigraphy.

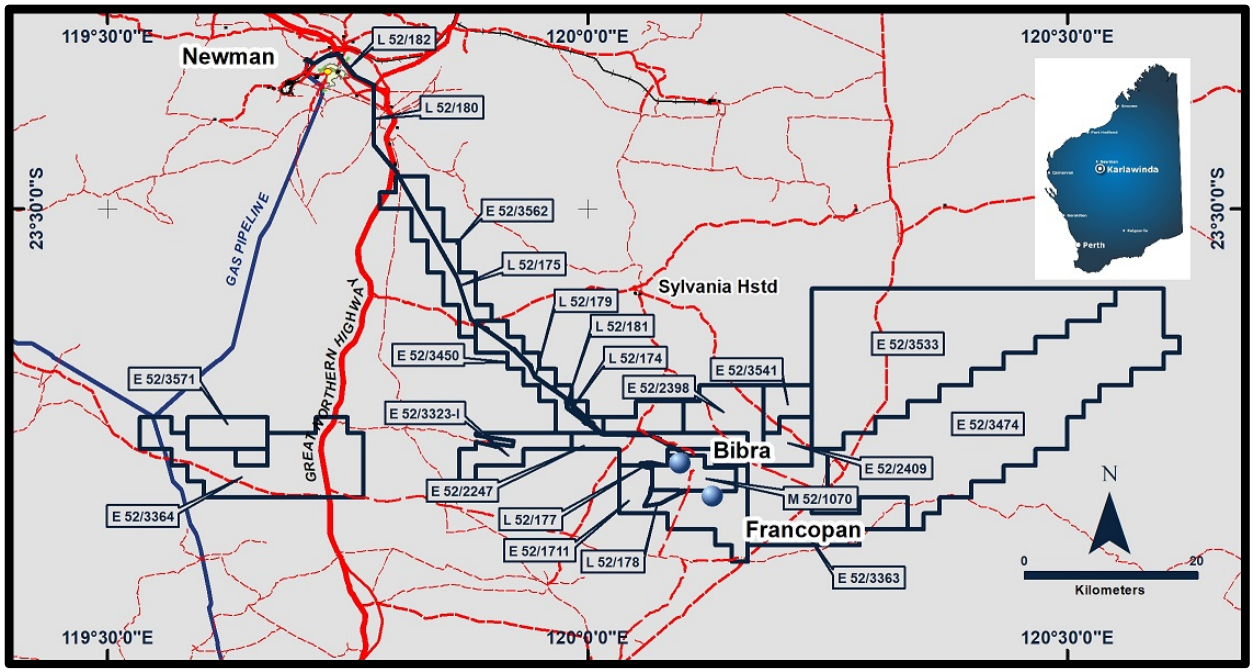

Figure 1: Location Map: Karlawinda Gold Project

TARGETING

Since acquiring the Karlawinda Gold Project, Capricorn has invested a significant amount of time and effort to develop a detailed understanding of the geology and the controls on mineralisation. This core investment now provides a solid basis for the next phase of quality target generation across the wider Project.

Quality data now being utilised by Capricorn's Exploration Group include:

- Detailed geology of the Bibra gold deposit. Key stratigraphic and structural elements are now being applied across the wider Project area;
- Regional geology which demonstrates that significantly more Archaean greenstone is present than originally interpreted;
- Newly acquired airborne magnetic survey data;
- A "State-of-the Art" Lithogeochemical Study of the Bibra gold deposit which demonstrates that there are key metal associations which are applicable for targeting across the Project;
- Updated surface geochemical survey data; and
- Detailed documentation of the definitive IP and magnetic geophysical responses associated with the major gold domains within the Bibra resource.

[1] Capricorn report that it is not aware of any new information or data that materially affects the information included in the Mineral Resource announcement dated 13th November 2017 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

PRIORITY EXPLORATION TARGETS

A series of priority targets have been developed and will be the subject of exploration programs across the remainder of 2017 and into the first half of 2018 (Figure 2).

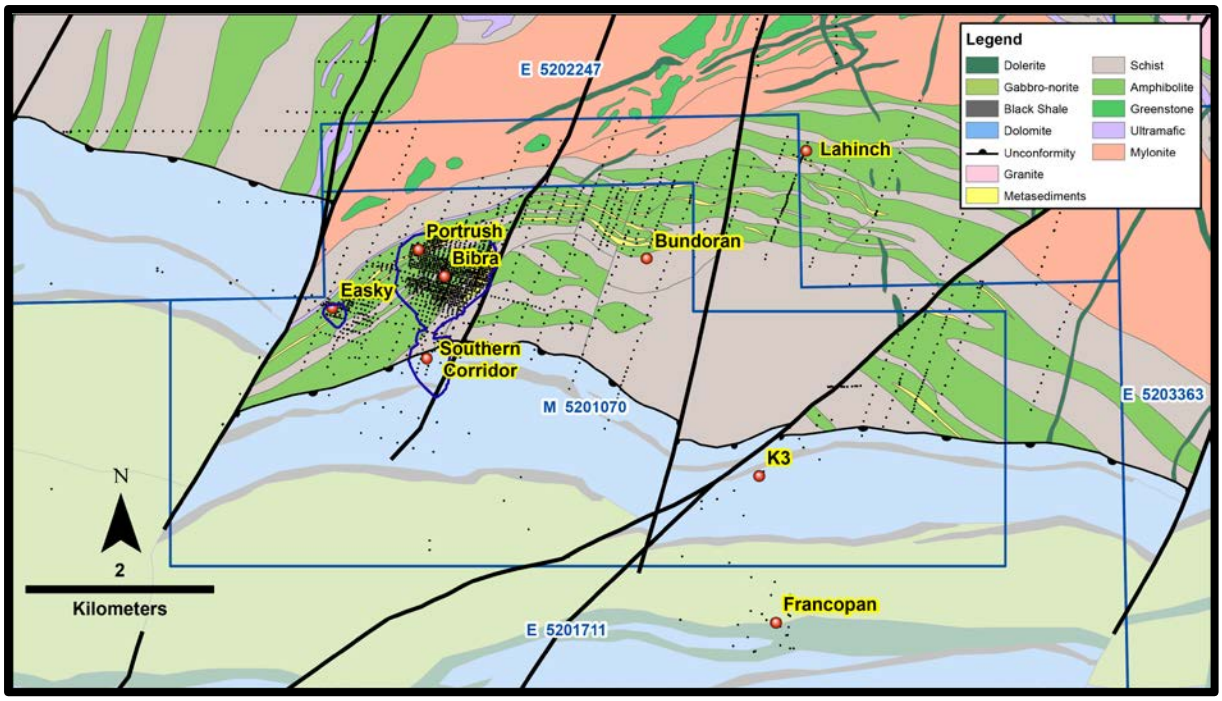

Figure (2): Karlawinda Gold Project Exploration Targets

Bibra Gold Deposit – Resource and Reserve Expansion

There is excellent potential to deliver further major expansions of the Bibra gold deposit through targeted programs of drilling to focus on the expansion of key mineralised domains that have not yet been fully defined. In particular, a zone of higher-grade mineralisation has been identified on the western edge of the Bibra open pit (Portrush Trend) (Figure 2).

Previous results from this zone, which are open down-dip and along strike include (see Table 2 and ASX announcement dated 3rd August 2017 for details):

- KBRC1038 25m @ 2.28g/t Au
- KBRC0953 28m @ 1.47g/t Au
- KBRC0907 10m @ 1.41g/t Au and 10m @ 1.78g/t Au
- KBRC0951 14m @ 2.06g/t Au

The addition of resource ounces in the hanging wall of the Bibra open pit will allow the pit to drive deeper and to capture additional, already defined indicated resources which would be expected to convert to reserves.

In addition to this zone, there are multiple opportunities to expand mineralised domains that remain open or where drilling is not yet of a density to allow classification.

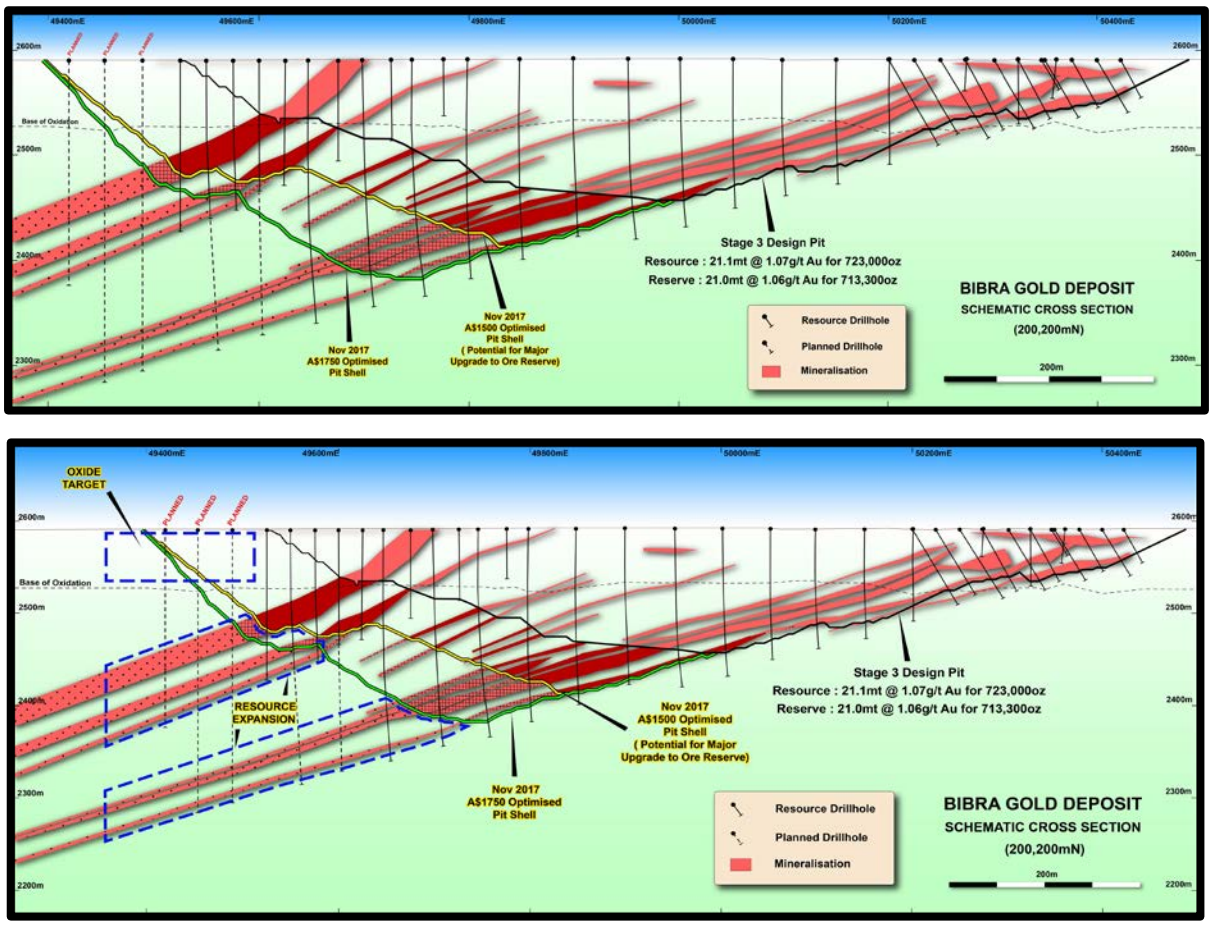

Figure (2): Bibra-Portrush Hanging Wall Resource Target

Bibra South Target

A series of large-scale mineralised structures that host the Bibra gold deposit have been shown to extend to the immediate south of the existing resource. Previous drilling in this area is limited to wide-spaced, reconnaissance aircore drilling (Figure 3) with limited follow-up RC drill testing.

Significant results that remain largely untested include (See Table 2):

- KBRC0148 12m @ 1.60g/t Au
- KBRC0145 28m @ 1.65g/t Au
- KBRC0071 4m @ 1.41g/t Au
- KBRC0022 7m @ 1.78g/t Au
- KBRC0021 12m @ 1.48g/t Au
- KBAC0386 4m @ 3.51/t Au (BOH)

There is significant potential to define near-surface, higher-grade oxide resources in this position, as well as large-scale mineralised structures similar to those at Bibra. A particular focus will be on defining high-grade domains (+2g/t) within these mineralised structures.

Immediate exploration will comprise closer spaced aircore drilling over the entire corridor to quickly assess key areas for follow-up with RC drilling for resource evaluation purposes.

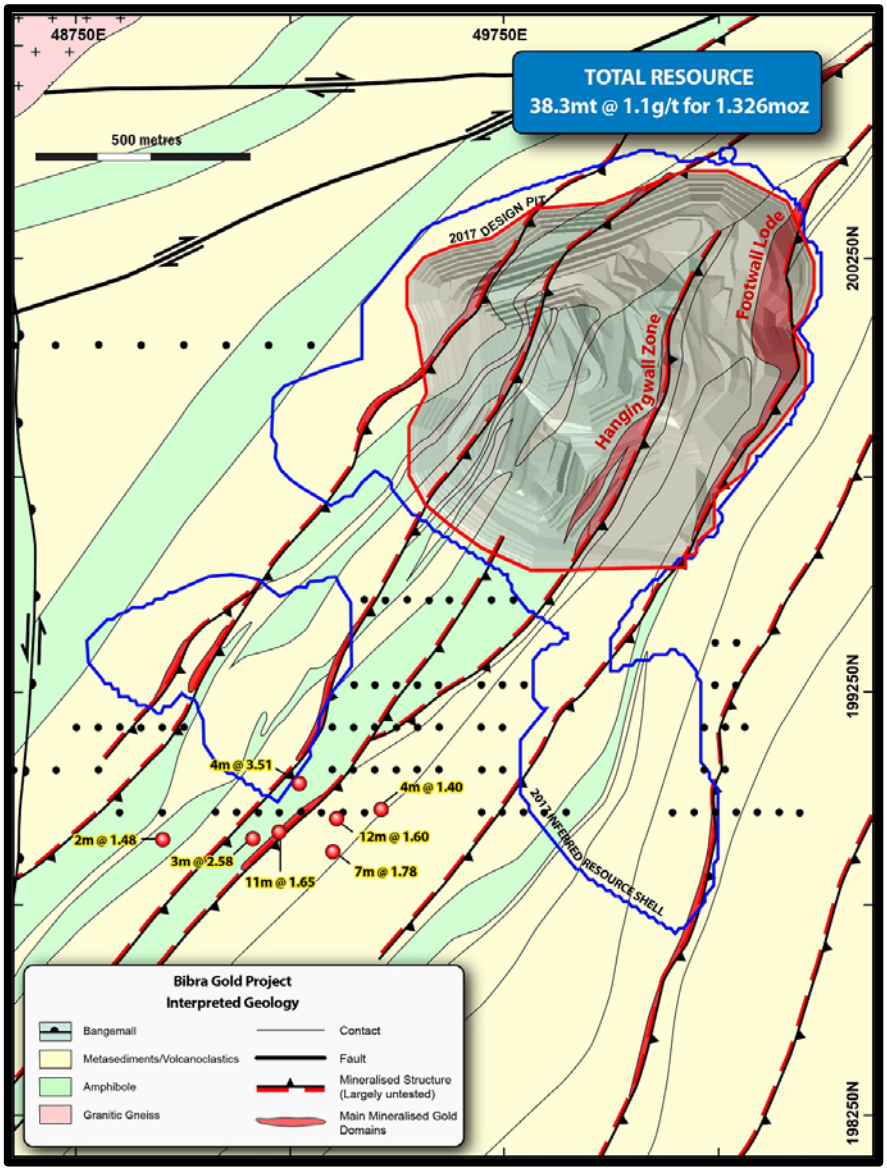

Figure (3): Bibra South Targets showing planned aircore drill-hole collars

Bundoran Target

Bundoran is a Tier-1 target located approximately 2km to the immediate east of the Bibra gold deposit. The area is comprised of multiple targets (T1-T6) with the immediate focus being the T1 target. The T1 target comprises a robust coincident magnetic-IP geophysical anomaly that is directly analogous to Bibra. Key attributes of T1 include:

- Well-defined modelled magnetic plates that provide a clear guide to orientation of the targeted structure;
- A modelled IP anomaly that is coincident with the modelled magnetic plates;
- Highly anomalous multi-element results in near-surface aircore drilling;
- A significant drill intersection (5m @ 1.6g/t Au) in the surface projection of the geophysical target; and
- The highest ranked surface geochemical target outside of Bibra with discriminant multi-element support.

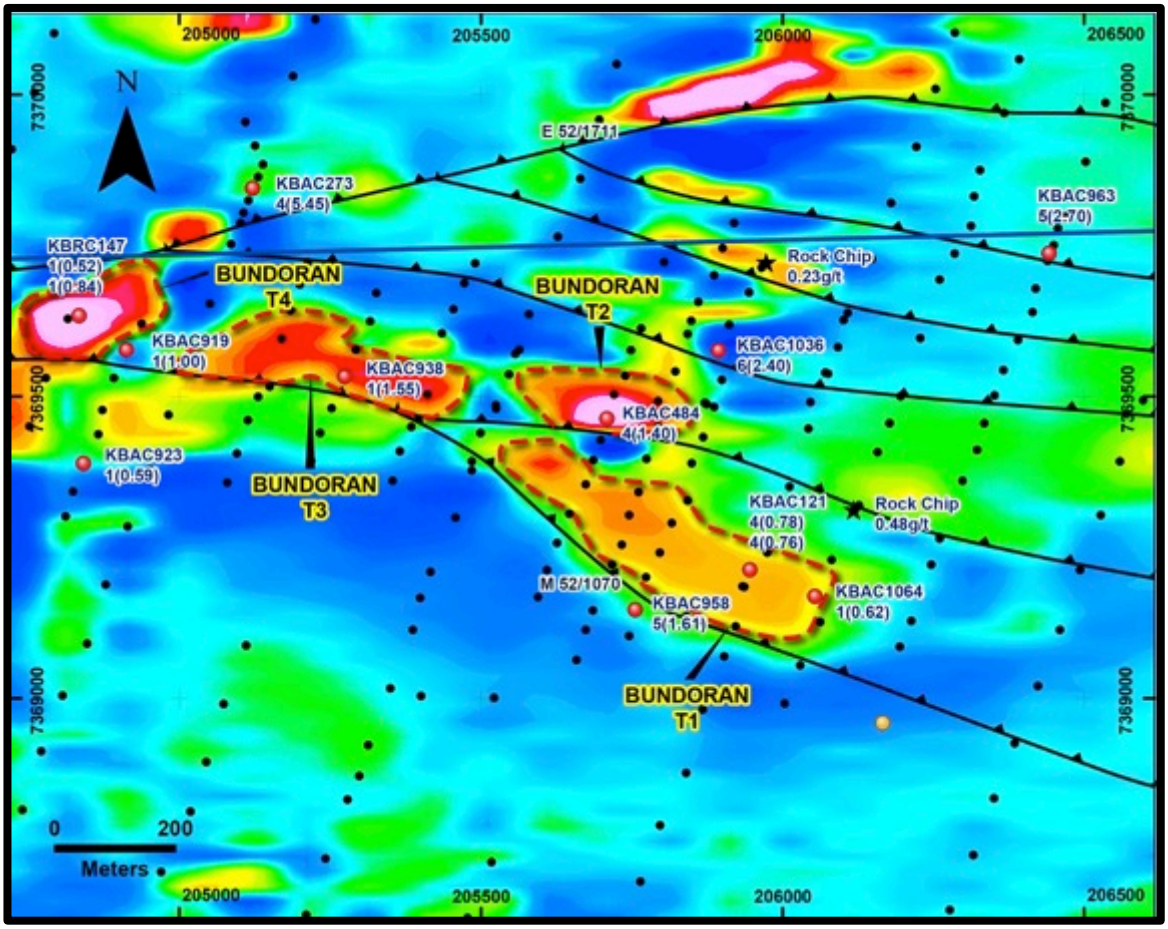

Figure (4): Bundoran Target (magnetics and drill collars)

The other targets are currently defined by coincident magnetic highs, anomalous aircore drilling results and surface geochemical anomalism. The IP survey data is currently only limited to coverage across the T1 Target.

Initial testing of the Bundoran Targets will be through RC drilling and down-hole geophysical surveying.

Lahinch Target

The Lahinch Target is located approximately 5km to the east of Bibra and is hosted in the same stratigraphic succession. Reconnaissance RC drilling targeting historical anomalous aircore drilling returned significant high grade results including 2m @ 6.15g/t Au (BOH) and 2m @ 4.69g/t Au.

The target is poorly defined and an excellent opportunity exists to test this higher-grade mineralised structure over a number of kilometres with a particular focus on oxide mineralisation.

It is worth considering that Lahinch is one example from 23 similar aircore targets across the Karlawinda Gold Project that remain to be tested.

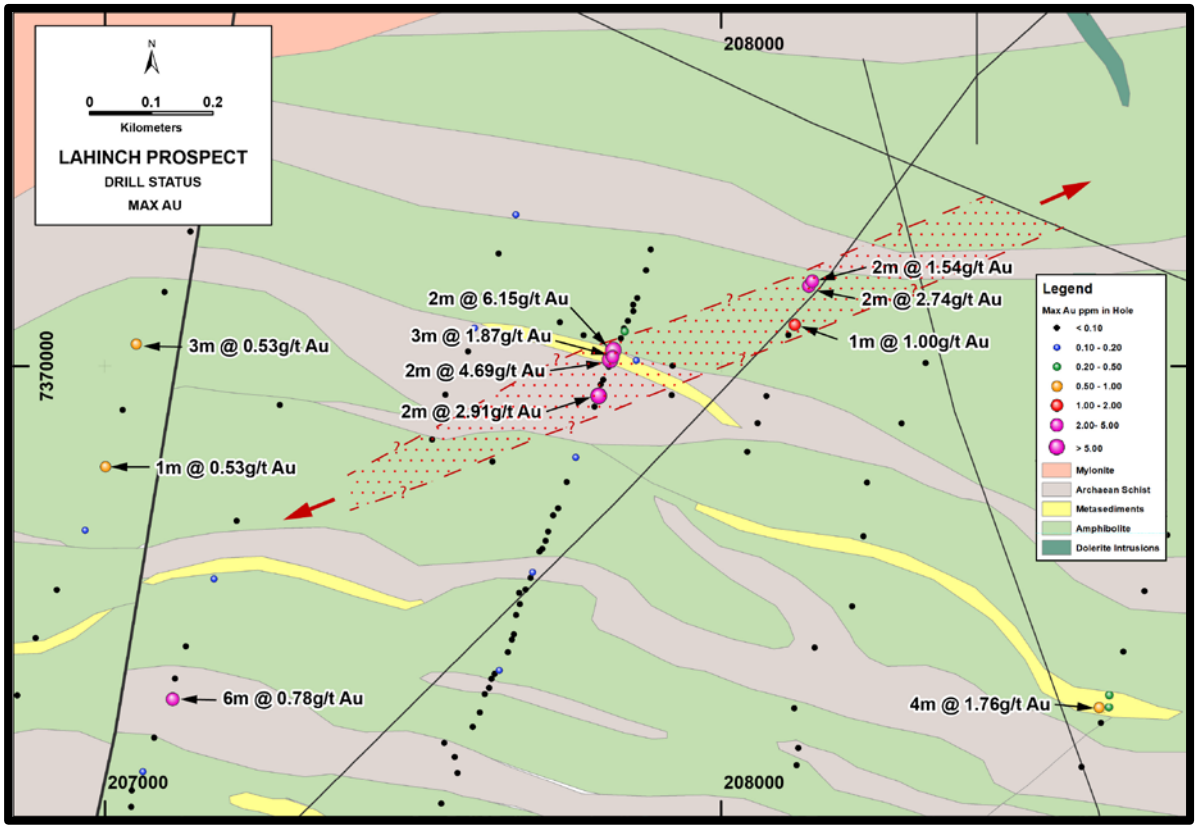

Figure (5): Lahinch Target Interpreted Cross Section with Plan View insert

Francopan-K3 Target

The K3-Francopan Target is located approximately 6km to the south-east of the Bibra gold deposit. Wide-spaced drilling has identified a large-scale gold system over an area of at least 2.5km by 1km. This is an area of similar dimensions to Bibra and has the potential to host a multi-million ounce resource.

Significant intersections currently include (See Table 2 for details):

- KBD001 8m @ 5.1g/t Au (within 37m @ 1.9g/t Au)
- KBD009 6m @ 4.5g/t Au (within 33m @ 1.0g/t Au)
- KBD025 15m @ 3.0g/t Au (within 81m @ 1.2g/t Au)

The immediate focus of exploration will be to define areas of re-folding that have been demonstrated to be the key structural controls that host the high grade domains at Bibra.

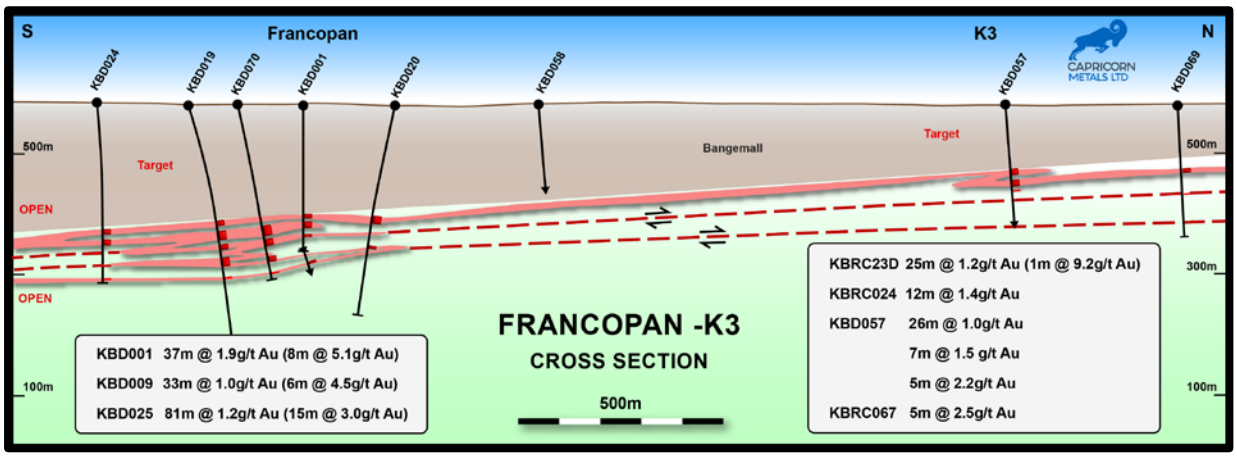

Figure (6): Francopan-K3 Target Interpreted Regional Cross-Section

EXPLORATION PROGRAMS

The program has now been initiated with 4,000 metres of RC drilling to test the Bibra Expansion, Bundoran, Lahinch and the K3-Francopan Targets. An aircore rig is scheduled to arrive by the end of the week to complete a 5,400 metre aircore program at the Bibra South Target. This will conclude the drilling program for 2017.

In addition to the drilling programs, surface geochemical sampling will be completed over a number of key targets across the wider Karlawinda Gold Project.

Drilling will recommence during the first quarter of 2018.

For and on behalf of the Board

Heath Hellewell
Executive Chairman

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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. Michael Martin who a full-time employee of Capricorn Metals Ltd in the role of Chief Geology and is a current Member of the Australian Institute of Geoscientists. Mr. Michael Martin 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, Executive General Manager - Geology, who is a current Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full-time Executive employee of Capricorn Metals Ltd 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. Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

TABLE (1): BIBRA GOLD DEPOSIT JORC OPEN PIT RESOURCE ESTIMATE
(as of November 2017)

Date	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
Nov 2017	8.3	1.25	334	22.6	1.05	765	7.3	1.0	227	38.3	1.1	1.326

Notes on the November 2017 Mineral Resource Estimate:

1. Refer to JORC 2012 Table (1) in Appendix 2 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 Mineral Resource estimate has been reported above a block grade of 0.5g/t Au.
4. The Mineral Resource has been constrained by a A$1750/ounce optimised pit shell for indicated and A2000/ounce for Inferred.
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 mineralised wireframes.
7. See ASX announcements dated 4th July 2016 and 10th April 2017 for previous resource announcements.
8. See ASX announcement dated 7th August 2017 for previous Ore Reserve announcement.

TABLE (2): KARLAWINDA GOLD PROJECT DRILLING RESULTS

Hole ID	Easting	Northing	RL	Az	Dip	Depth	From	To	Width	Grade (g/tAu)
KBAC386	203,124	7,368,007	587	0	-90	62	52	56	4	3.51
KBD001	207,700	7,365,150	580	0	-90	242.6	179	216	37	1.9
Including							195	202	8	5.1
KBD009	207,600	7,365,035	580	0	-70	291.5	204.4	237.4	33	1
Including							231.4	237.4	6	4.5
KBD025	207,248	7,364,917	579	65	-65.6	712.12	402	483	81	1.2
Including							425	440	15	3
KBRC021	202,784	7,367,947	587	105	-60	340	317	329	12	1.48
KBRC022	203,166	7,367,837	587	110	-60	292	143	150	7	1.78
KBRC071	203,291	7,367,910	587	110	-60	250	112	116	4	1.41
KBRC145	203,053	7,367,907	587	0	-90	280	206	234	28	1.65
KBRC148	203,190	7,367,911	587	0	-90	250	163	175	12	1.6
KBRC907	203,709	7,369,095	590	180	-88.62	126	56	66	10	1.41
							98	108	10	1.78
KBRC951	203,783	7,369,079	591	180	-89.66	96	2	16	14	2.06
KBRC953	203,685	7,369,105	590	165	-89.09	144	65	93	28	1.47
KBRC1038	203,661	7,369,113	590	250	-89.82	150	77	102	25	2.28

APPENDIX 1

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.*	Drilling at the Bibra deposit has been completed by two companies Independence Group (IGO) and Capricorn Metals Group (CMM). The methods of collection have been very similar in terms of sampling procedures, drilling methods and sampling quality. For drilling between 2017 & 2015 RC drilling the standard method of sample collection included the following: 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 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. 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. For the diamond drilling- NQ core was half cut in half using a corewise automatic core saw. In 2012, RC samples were collected for 1m intervals using a rig-mounted cone splitter. Samples were to be 12½% from each of the two sample chutes and 75% reject collection. Wet samples were grab sampled and recorded as such in the database, few were within mineralised zones. NQ core was half-core sampled and HQ/HQ3 core was initially quarter-core sampled. Issues with quarter-coring in the regolith with complete disintegration of the sample and loss of material were identified, and reverted to half-core sampling with less water for better sample quality. Standards, blanks and field duplicates were inserted into each batch of samples submitted to the

Criteria	JORC Code explanation	Commentary
		laboratory. Prior to 2011 the standard method of sample collection included the following: Prior to 2011, RC samples were collected at the rig using a cone splitter that split the 1m cuttings into 87½% & 12½% splits. RC samples were originally composited to 2m by taking scoops from each of the 1m interval and submitted to Genalysis for sample preparation and analysis. Samples that returned values >0.5g/t Au were submitted as 1m samples to Genalysis. In 2011, RC samples were not composited and 1m interval samples were sent directly to Genalysis. A rig mounted cone splitter was used to split the samples into 87½% & 12½% splits. NQ2 core was half-core sampled and PQ and PQ3 core was quarter-core sampled using a manual core-cutting diamond saw without water in the oxide zone. The dry cutting was to prevent loss of clays for the metallurgical samples. Sample quality is considered to be good and all RC drilling within the resource area was dry.
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.).*	In 2017 drilling, 1 Ranger Drilling drill rig was used to drill 140 RC drilling holes for 13,460m. The rig consisted of a Schramm track mounted RC rig with 1150cfm x 350psi on board compressor, an Air-research 1800cfm x 900psi on board Booster, and a truck-mounted Sullair 900cfm x 350psi auxiliary compressor. In 2016, 3 Ranger Drilling drill rigs, were used to drill 541 holes for 63,676m, including 2 x DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary and 1 KWL350 truck mounted RC Rig with 1050cfm x 350psi on board compressor, Sullair 1050cfm @ 350psi auxiliary compressor and Air-research 1150cfm x 350psi booster. The holes were 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. In 2016, 35 PQ/HQ diamond holes were drilled by Westralian Diamond Drillers (Kalgoorlie) for 4,610m using two KL900 rig's. Drilling in 2015, 46 RC holes have been completed by reverse circulation using Ranger Drilling DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary. In 2012, 60 RC drillholes for 8409m and RC precollars for 534.8m were drilled by Blue Spec Mining using a KLBS900 Multipurpose rig with 4inch drill rods and face sampling 5inch bits. Two HQ3/NQ diamond holes were drilled by Blue Spec for 305.3m using the Multipurpose rig and 24 HQ/HQ3 diamond holes were drilled by Foraco for 3158.6m using a UDR1000 truck-mounted rig. Core from the Foraco drilling was oriented using an Ezymark orientation tool. Numerous aircore holes have been drilled into the project but these were not used in the resource estimate In 2011, 78 RC drillholes for 14,103m were drilled by Profile Drilling Services using a Schramm RC rig and 11 diamond holes (two with RC precollars, precollars drilled by Profile Drilling Services) drilled by Drill West using a Boart Longyear LF90D skid mounted rig. Core diameter was PQ3 and PQ to provide samples for metallurgical testwork and to also twin RC drillholes. Core was oriented

Criteria	JORC Code explanation	Commentary
		(where possible) using a Reflex ACE orientation instrument. In 2009-2010, principally Reverse Circulation (RC) drillholes using face sampling bits (Ranger Drilling Services, Boart Longyear Pty Ltd or Profile Drilling Services) with 3 diamond holes that have RC precollars (precollars drilled by Ranger Drilling Services (70-202m downhole depth) and NQ2 diamond tails drilled by Boart Longyear Pty Ltd) and 2 other diamond holes (PQ3 sized core by Drill West for metallurgical testing purposes). Three core holes (KBD026-028) were oriented using an Ace orientation tool.
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. From this process showed that the majority of ore grade samples had recoveries greater than 80% 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 bias exists. In 2012, RC sample recovery was variable, particularly in the regolith. Sample quality was recorded during logging and qualitative recovery codes were assigned to each sample. Sample weights were measured for each component of RC hole cuttings in mineralised zones, with results showing that regolith samples were generally poor quality (both under and over-weight samples) and quality was moderate in the other zones. Core was reassembled for mark-up and was measured, with metre marks and down-hole depths placed on the core. Depths were checked against driller's core blocks and discrepancies corrected after discussion with drillers. Core loss was recorded in the geological log. Core recovery was generally good. RC sample recovery prior to 2012 has been logged as good with samples kept dry during drilling. There is no obvious relationship between sample recovery and grade.
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

Criteria	JORC Code explanation	Commentary
		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.*	For holes KBRC284 to KBRC1045. 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 were 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. All core has been cut into half or quarter core for sampling. For early drillholes KBRC005-010, RC composite samples (2m) were submitted to Genalysis where they were sorted, dried and the total sample pulverised in a single stage mix and grind if the sample mass was <3kg. Samples >3kg mass were riffle split using a 50:50 splitter and one half pulverised. Samples were analysed for Au using an aqua regia digestion (AR10/OM) of a 10g pulp sample with ICP-MS determination. Samples that returned values >0.5g/t were submitted to Genalysis as 1m resplit samples and prepared in a similar manner as the composites. For drillholes from KBRC011 to KBRC283 (2009-2012), no compositing took place, 1m split RC samples and core samples were submitted to Genalysis for fire assay. 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 (2012 drilling). Samples were then pulverised in LM5 mills to 85% passing 75µm. All the samples were analysed for Au using the FA50/AAS technique which is a 50g lead collection fire assay with analysis by Flame Atomic Absorption Spectrometry. The fire assay method is considered a suitable assaying method for total Au determination. The aqua regia digestion results (used for samples that were <0.5g/t Au)

Criteria	JORC Code explanation	Commentary
		may not allow for total Au determination in the transition and fresh rock zones. Aqua regia samples are only present for 5 holes and therefore represent only a very small percentage of the samples. For core and RC samples the sample preparation technique is appropriate and is standard industry practice for a gold deposit. Quality control for maximising representivity of samples included sample weights, insertion of field duplicates and laboratory duplicates. .
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.*	In the 2017, drilling samples were submitted to Intertek laboratory in Perth and completed by a single fire assay In the 2016 to 2015 drilling samples were submitted to the Intertek laboratory in Perth. In the waste zones, analysis has been. 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. For samples prior to 2015, only single fire assay determination occurred on each sample. The samples from 2017 & 2015 drilling were determined for gold, pt, pd and additional elements/base metals, using ICP optical emission spectrometry and ICP mass spectrometry. Samples prior to 2016, were analysed using AAS. 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. Twin holes from the different drilling programs showed that over an intercept, the grades and lengths of mineralisation compared well, whereas at the individual assay level the results are highly variable
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. Analysis of the RC/diamond hole twinning up, showed that mineralised intervals above a cut-off grade of 0.3g/t Au were similar in length and moderately well correlated in grade. From time to time assays will be repeated if they fail company QAQC protocols, however no adjustments are made to assay data once accepted into the database.
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.*	2015 - 2017 drillhole collar positions were surveyed by Survey group out of Port Hedland WA and Osbourne Park, WA. 2009 - 2012 drillhole collar positions were surveyed by licensed surveyors MHR Surveyors of Cottesloe, WA. The instrument used was a Trimble R8 GNSS RTK GPS (differential) system. Expected relative accuracies from the GPS base station were ±2cm in the horizontal and ±5cm in the vertical direction. Co-ordinates were

Criteria	JORC Code explanation	Commentary
		surveyed in the MGA94 grid system Downhole surveys in 2009 & 2010 were carried out by the drillers at about 50m intervals using a Reflex EZ shot digital downhole camera. Readings were taken in a non-magnetic stainless steel rod near the bottom of the drill string. The depth, dip, azimuth and magnetic field were recorded at each survey point. In the 2015 & 2017 drill program the Downhole surveys were collected by driller operated in-rod reflex north seeking gyro at the end of each hole. The measurements were taken every 10 to 30 metres. Drillhole location data was initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work. The natural surface topography was modelled using a DTM generated from the 2012 airborne LiDAR survey conducted in November 2012 by AAM Pty Limited. The DTM was rotated in-house to the local grid coordinate system. Horizontal point accuracy is expected to be <0.33m and vertical accuracy to 0.15m. Ground control was established using RTK GPS and ALTM3100 Static GPS. The reference datum was GDA94 and the projection was MGA Zone 51, with the data supplied as 50cm and 1m contours in MGA Zone 51. Topographic control is of good quality and is considered adequate for resource estimation
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.*	Please See Table 2 for Results Drilling is being completed on a 50x50m and 25m x 25m and 25m x 50m grid. Drill spacing is sufficient for current resource classification. Samples collected and analysed for each metre down the hole. Whole hole is analysed. Samples were collected in 1 metre intervals.
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. Prior to commencement of the 2016 drill program a meeting of industry specialists was held to discuss the sampling and analytical techniques to get consensus and or improvements on the drilling and sampling protocol. Prior to 2016, a review of practices documented in the IGO technical report supplied to Optiro Pty Ltd in 2012 as part of the resource estimate review did not highlight any significant issues.

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 Karlawinda Project is located in tenements M52/1070, E52/1711, E52.2247, E52/2398, E52/2409, E52/3323, E52/3363, E52/3364,E52/3450 and held by Greenmount Resources and wholly owned company of Capricorn Metals. 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. 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 (BHP) 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 See Table 2 for Results
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 2017 drilling single fire assays were completed for each 1m sample, since significant work has been undertaken on assay variability though the Bibra deposit, whereby the single fire assay is deemed to be suitable for the classifications used. In the drilling from 2015 to 2017, 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. In the drilling prior to 2016, single fire assays were completed on each sample
Relationship between mineralisation widths and	• *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.*	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

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intercept lengths	• *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').*	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 a balanced report with a suitable cautionary note.
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 to 2017 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.*	Resource Definition programs have been designed to further infill the inferred and indicated material to the next level of classification. Drilling program have been designed to target unclassified areas of known mineralisation to move these areas into a higher classification.