



CAPRICORN SECURES GRANT OF MINING LEASE FOR KARLAWINDA GOLD PROJECT, WA

Signing of key Native Title Agreement paves the way for key permitting and development milestone

KEY POINTS

- A Land Access Agreement with the single Native Title claimant, the Nyiyaparli People, has been completed.
- Mining Lease 52/1070 has been granted for a term of 21 years.
- The grant of the Mining Lease marks a key milestone towards development of a significant new open pit mining project at Karlawinda.

Capricorn Metals (ASX: CMM) is pleased to advise that it has taken another key step in its strategy to become a significant new WA gold producer after securing the grant of the Mining Lease for its 100%-owned Karlawinda Gold Project in the Pilbara.

A Land Access Agreement has been executed between Greenmount Resources (a wholly-owned subsidiary of Capricorn Metals) and the only Native Title claimant group over the key Bibra deposit.

This agreement allows for the grant of tenure, project operations and project approvals, along with the payment of compensation and other heritage and environmental protocols.

Subsequent to the signing of this agreement, on 23rd November the Western Australian Department of Mines and Petroleum ("DMP") granted Mining Lease M52/1070 (refer Figure 1).

This Mining Lease has a term of 21 years, covers an area of 2,975 hectares, and encompasses all of the key operations and infrastructure planned for the Bibra deposit.

ASX ANNOUNCEMENT

24 November 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 486.9M
Options 17.3M
Share Price A\$0.10
Market Cap. A\$48.7M

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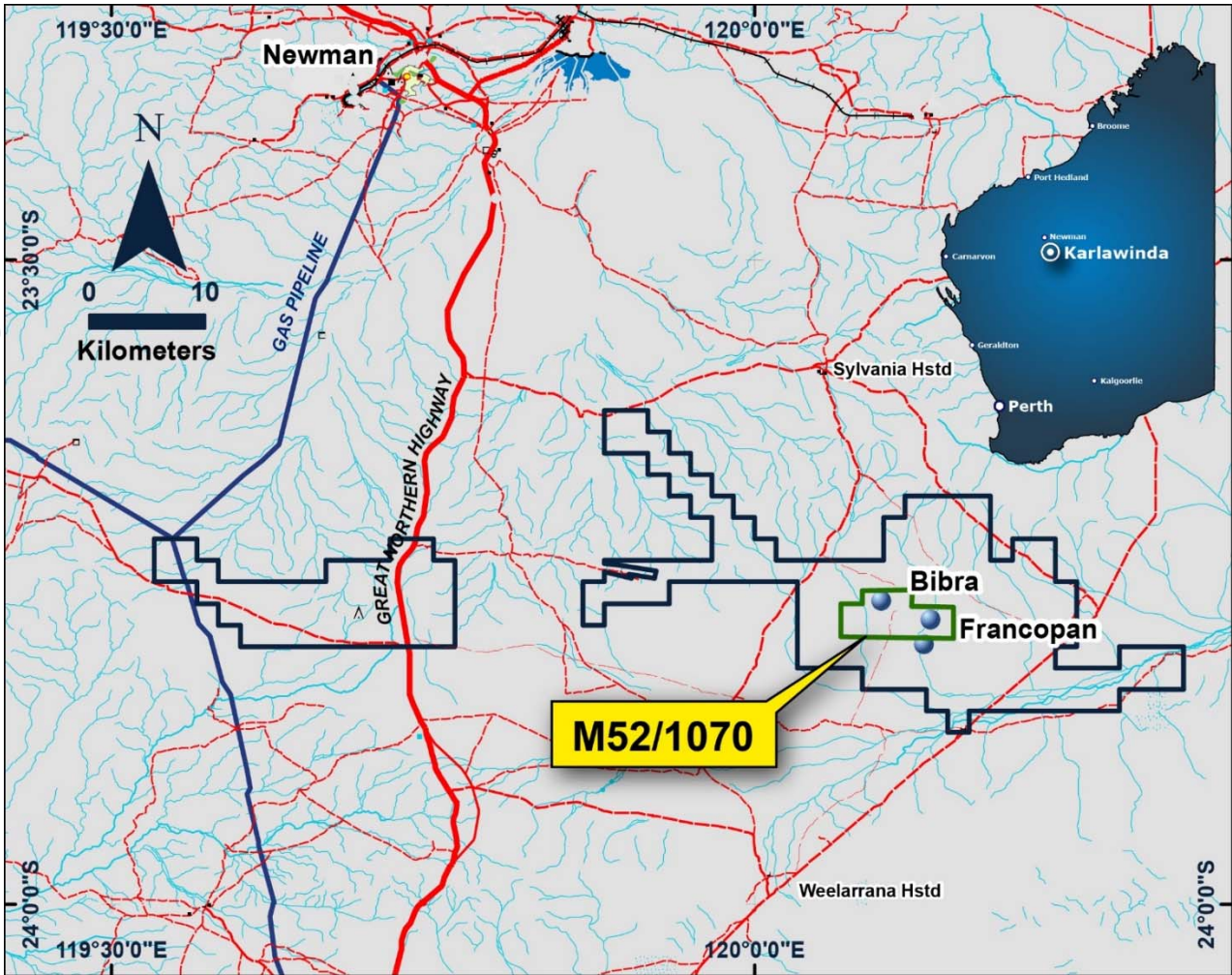


Figure 1: Location Map: Karlawinda Gold Project and M52/1070

MANAGEMENT COMMENT

Capricorn's Managing Director, Mr Peter Thompson, said the completion of the Land Access Agreement and grant of Mining Lease were important milestones for the development of the Bibra resource.

"The completion of this Access Agreement with the Nyiyaparli People in a relatively short time period reflects the willingness on both sides to facilitate the development of a significant new gold project at Karlawinda, to enhance cultural awareness and to generate local employment and opportunities.

"I would also like to acknowledge the prompt and efficient processing of our Mining Lease Application by the DMP, which is greatly appreciated.

"Securing a Land Access Agreement and Mining Lease are key milestones for the development of the Bibra gold deposit and further de-risk the project. We remain on track to complete the Bibra DFS in mid-2017 and to forge ahead with the financing and construction of a significant new mid-tier Australian gold project in the second half of next year."

For and on behalf of the Board

Peter Thompson
Managing Director

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