11 October 2021

# ACTIVITIES REPORT
# SEPTEMBER 2021 QUARTER



## HIGHLIGHTS

### OPERATIONS

- Commissioning and optimisation of processing plant completed by the end of the quarter.
- Guidance throughput rates achieved on a steady state basis by the end of the quarter.
- Gold production of 24,329 ounces for the quarter.
- Gold production from 1 October 2021 expected to be at the long-term production rate range of 110,000 – 125,000 ounces per annum.
- Gold production guidance for the year ending 30 June 2022 (including above Sept21Q commissioning production) is 110,000 – 120,000 ounces.
- Having reached steady state operations, reporting of All-in Sustaining Cost (AISC) and other financial metrics will commence for the December 2021 quarter

### CORPORATE

- Acquisition of the 2.1 million ounce Mt Gibson Gold Project in the Mid-West region of WA.
- Cashflow from operations of $27.6 million for the quarter whilst still commissioning and ramping up operations.
- Final $12.8 million of project development costs paid during the quarter.
- First repayment of $5 million of bank debt during the quarter.
- Cash and gold on hand at the end of quarter was $14.7 million, with debt outstanding of $85 million.
- Gold sales of 21,921 ounces at average price of $2,362 per oz generated $51.8 million in revenue with a further 1,700 ounces of gold on hand at the end of the quarter.

### EXPLORATION

- 263 holes (9,060 metres) of a 448 hole first pass AC programme completed at the previously undrilled Mundiwindi greenstone belt targeting Bibra style deposit. Encouraging lithologies intersected, assays pending and expected by end of October 2021.
- Completion of a 14 hole (850 metres) near mine AC drilling programme at Bibra East during the quarter with all results pending.
- 14 tenement applications granted at Mt Gibson Gold Project to date and early planning of exploration and resource drilling programmes underway.

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# JUNE 2021 QUARTER ACTIVITIES SUMMARY

Capricorn Metals Ltd (Capricorn) wholly owns the operating Karlawinda Gold Project (KGP) located 65 kilometres south-east of Newman in the Pilbara region of Western Australia and the recently acquired Mount Gibson Gold Project (MGGP) located 65 kilometres north-east of Wubin in the Mid-West region of Western Australia.

## Karlawinda Gold Project

Construction of the KGP was completed in the June 2021 quarter with the successful commissioning of the processing plant culminating in first gold poured at the end of June 2021. The project was completed in line with time and cost guidance. During the September 2021 quarter commissioning and optimisation activities were completed, including the ramp up in processing plant availability and throughput to guidance rates on a steady state basis by the end of the quarter.

The expected KGP processing plant throughput capacity is:

- 4.5 - 5.0 mtpa in the oxide/fresh ore blend in the first 3 years; and
- 4.0 - 4.5 mtpa in solely fresh rock ore in years four and beyond.

These throughput capacities are expected to produce a long-term gold production range of 110,000 to 125,000 ounces per annum.

### Steady State Operations Achieved

The month of August 2021 was the first month of processing on a reasonably continuous basis which was maintained for the remainder of the quarter. Steady state of operations was achieved by the end of the quarter with the processing plant running at budget availability and guidance throughput rates on a continuous basis.

This milestone was achieved rapidly since the start of commissioning of the ball mill in late June 2021. The monthly process plant annualised throughput rate and mill availability is now in line with expected life of mine performance (for current ore type) and it is expected that these metrics will continue to be met or exceeded in the future.

| | Jul 21 | Aug 21 | Sep 21 |
|---|---|---|---|
| Ore milled annualised (Mt) | 3.1 | 4.2 | 4.4 |
| Availability (%) | 79.0 | 94.8 | 95.1 |

Operating results for the Karlawinda Gold Project for the September 2021 quarter were as follows:

| | Sept 21Q | Jun 21Q | Mar 21Qr |
|---|---|---|---|
| Ore mined ('000 BCM) | 602 | 301 | 0 |
| Waste mined ('000 BCM) | 1,511 | 1,365 | 1,215 |
| Stripping ratio (w:o) | 2.5 | 4.5 | N/A |
| Ore mined ('000 t) | 1,200 | 649 | 0 |
| Ore milled ('000 t) | 978 | 52 | 0 |
| Head Grade (g/t) | 0.84 | 1.41 | 0.00 |
| Recovery (%) | 92.6 | 95.4 | 0.0 |
| Gold production (ozs) | 24,329 | 2,360 | 0 |

Costs incurred in developing and commissioning the KGP, including the process plant and associated infrastructure, have been capitalised to the balance sheet up to the point of steady state production.

Having achieved steady state operations by the end of the quarter, reporting of All-in Sustaining Cost (AISC) and other financial metrics will commence for the December 2021 quarter.

## Mining

Mining continued in the Bibra open pit with total movement of 2.1 million BCM during the quarter. Approximately 1.5 million BCM of waste material was mined and utilised primarily for the construction of the second lift of the Tailings Storage Facility. The second excavator and truck fleet was mobilised to site at the end of the June 2021 quarter with mining activities increasing to full capacity by the end of the September 2021 quarter.

Ore mining was predominately in the laterite zones with a small volume of oxide ore mined late in the quarter. Ore stockpiles continue to increase with approximately 760,000 tonnes of ore on the ROM pad at the end of the quarter.

*Bibra open pit*

Early mining reconciliation indicates that mining is achieving reserve ounces with dilution in the narrow and flat lying laterite ore zones of stages 1 and 2 of the Bibra pit mined to date. Mining of these more difficult to mine laterite ore zones was completed during the quarter in stages 1 and 2 of the pit. Grade control and mining has now commenced in broader zones of laterite and free dig oxide ore where conventional bench mining can be used. This is expected to reduce mining dilution.

Construction of the site airstrip continued with the subgrade and subbase compacted and the basecourse layer material now being placed. During the quarter, agreement was reached with MACA Mining to seal the air strip to ensure all weather access. It is expected that this will extend the construction period until the end of the December 2021 quarter.

*Airstrip Construction*

## Processing

Commissioning and optimisation activities continued during the quarter to fine tune process controls and the final ancillary parts of the plant.

Mill throughput continued to improve over the September 2021 quarter with a total of 978,000 tonnes processed at a grade of 0.84g/t. The majority of the mill feed during the quarter was hard laterite ore with only a small proportion of oxide ore processed. Pleasingly, the combined throughput achieved in August and September 2021 of 715,532 tonnes of this exclusively hard laterite ore represents a 4.3 million tonne per annum run rate which is above the budgeted throughput rate for this material type.

During the month of September 2021, lower grade ore was treated as final commissioning and optimisation activities were completed on the processing plant. In addition, low grade material from the ROM was processed through the processing plant to provide room on the ROM in anticipation of the mining and milling of higher grade and soft oxide ore expected in the December 2021 quarter.

Gold production for the quarter was 24,329 ounces. Gold recovery of 92.6% continued to exceed budget.


*Additional CIL Tank Construction*

Construction of two additional CIL tanks to provide additional leaching time for the anticipated higher processing plant throughputs was nearing completion by the end of the quarter. The tank plate work is complete, fabricated top of tank steelwork is on site and the final additional equipment is now due for delivery and installation early in the current quarter.

## Operational Outlook

Mining volumes are expected to increase to around 800,000 BCM per month in the December 2021 quarter with the second mining fleet operating at full capacity. Processing plant throughput and grade is expected to increase as more oxide ore becomes available and higher-grade ore is selectively processed.

Gold production from 1 October 2021 is expected to be at the long-term production rate range of 110,000 to 125,000 ounces per annum. Gold production for the full year ending 30 June 2022 (including Sept21Q commissioning production) is expected to be in the range of 110,000 – 120,000 ounces.

The commissioning of the additional two CIL tanks and sealing of the airstrip are expected to be completed in the December 2021 quarter.

# Mount Gibson Gold Project

## Acquisition

In July 2021 Capricorn announced the acquisition of the Mt Gibson Gold Project (MGGP) located approximately 280 kilometres northeast of Perth in the Mid-West region of Western Australia. The project has a JORC 2012 compliant inferred Mineral Resource Estimate of 79Mt @ 0.8g/t Au for 2,083,000 ounces of gold.

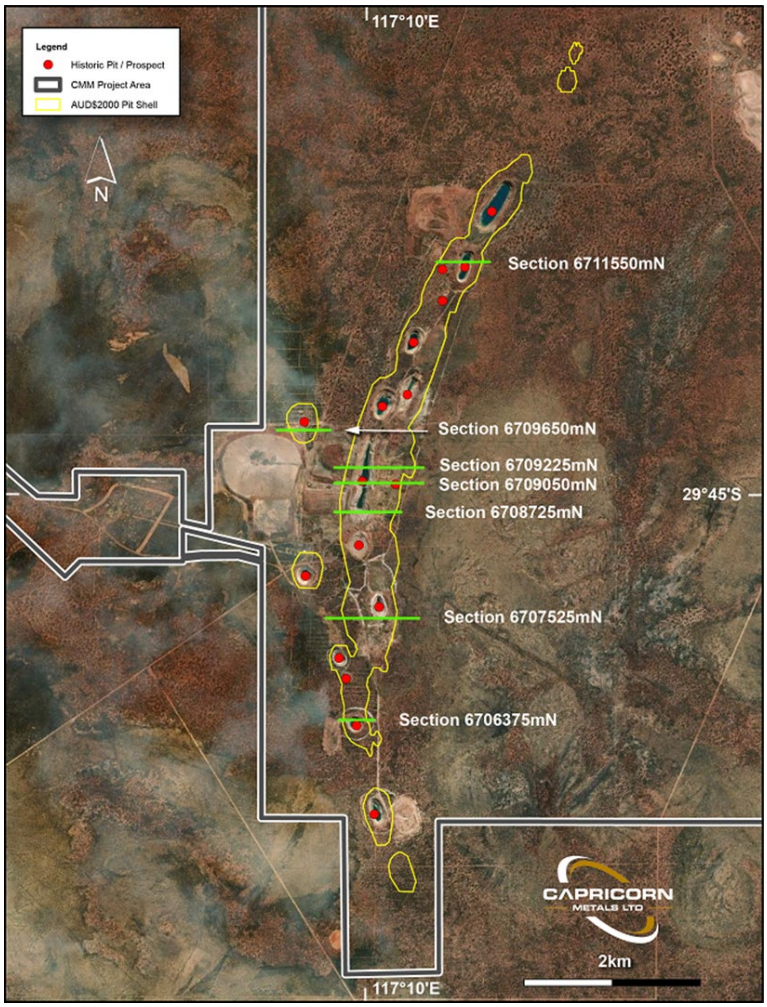
The Company acquired the project for total consideration of $39.6 million comprising $25.6 million cash payment and $14 million paid by the issue of 7.65 million fully paid ordinary shares in Capricorn. In addition, the Company granted a 1.0% net smelter royalty on all minerals produced from the project including gold production in excess of 90,000 ounces.

## Unique MGGP Opportunity

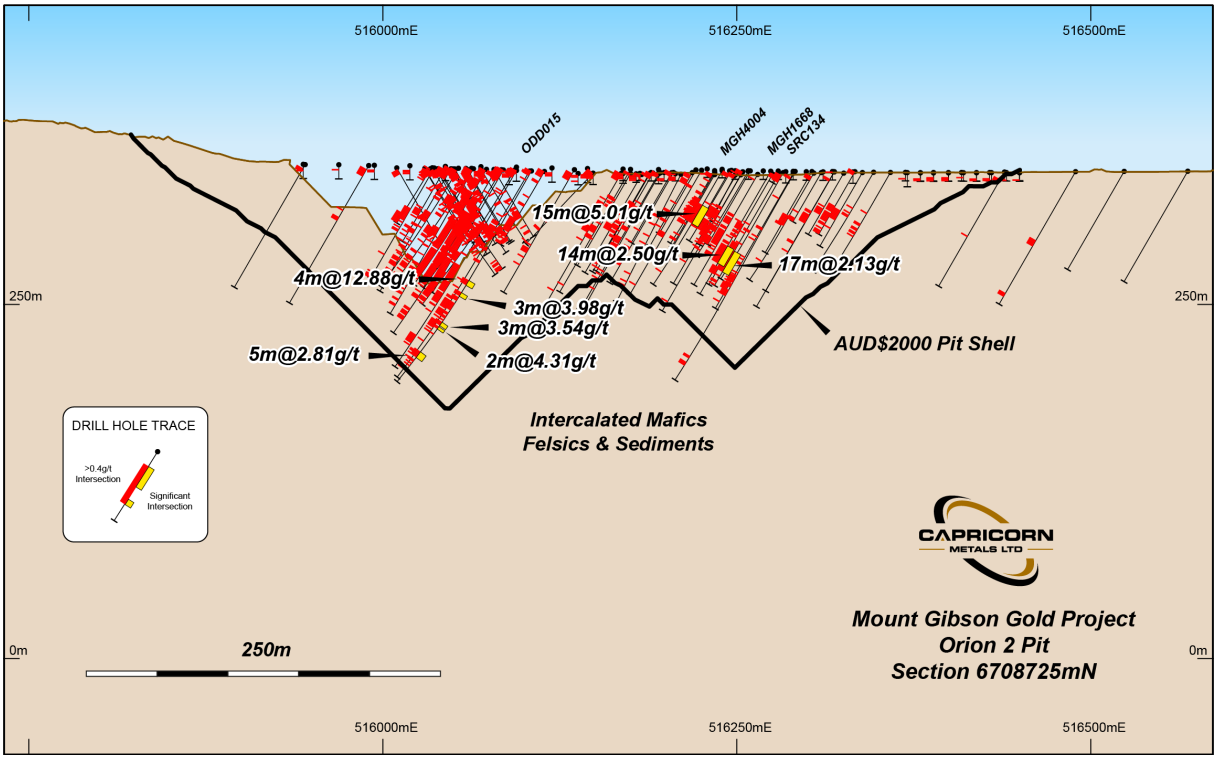
Historic gold production at the MGGP between 1986 and 1999 was in excess of 868,000 ounces from open pits with a maximum depth of 100 metres below surface and an average depth of 60 metres below surface. The project was placed on care and maintenance in 1999 when the gold price was around $450 per ounce, with the processing plant subsequently decommissioned and removed.

The combined area of the tenure covers approximately 139 square kilometres and in excess of 15 kilometres of strike on the gold bearing Retaliation Greenstone Belt, in the SW portion of the Yalgoo-Singleton Greenstone Belt.

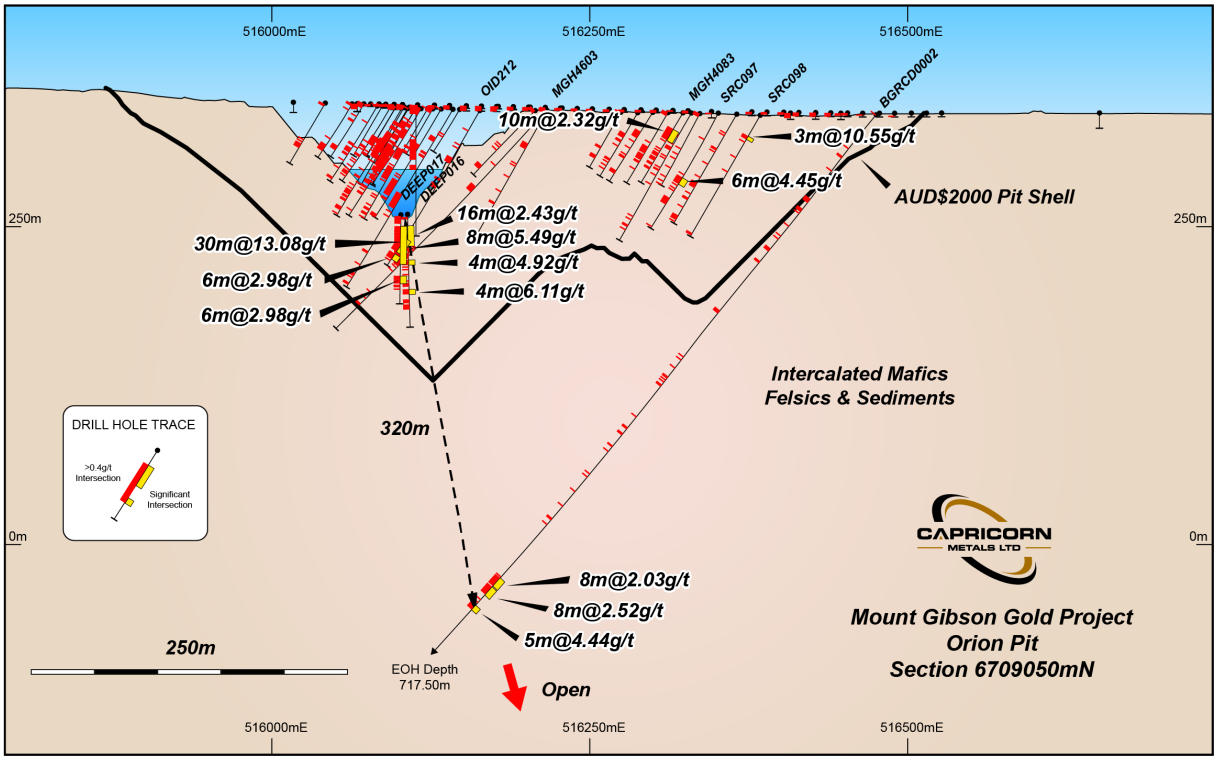
The MGGP has been the subject of approximately 660,000 metres of exploration and operations drilling, of which less than 5% is deeper than 150 metres below surface. No significant gold focussed exploration has been conducted at the MGGP since the late 1990's. There is significant exploration potential between, below and along strike of current resource positions.




*Historic pits and prospects overlaid with Capricorn MRE pit crests*




*Cross Section 6708725*




*Cross Section 6709050*

## 2.1 Million Ounce Resource

Capricorn has completed a JORC 2012 compliant Mineral Resource Estimate for the Mt Gibson Gold Project. A summary of the MRE is provided below:

| Material Type | | Cut-Off | Classification | Tonnes (Mt) | Gold Grade (g/t) | Gold Metal (koz) |
|---|---|---|---|---|---|---|
| Oxide | Open Pit | 0.4 | Inferred | 9.7 | 0.8 | 243 |
| Transitional | Open Pit | 0.4 | Inferred | 7.4 | 0.8 | 188 |
| Fresh | Open Pit | 0.4 | Inferred | 62.6 | 0.8 | 1,651 |
| Total | | | | 79.7 | 0.8 | 2,083 |

Notes:
1.Mineral Resources are estimated using a gold price of A$2000/ounce.
2.Mineral Resources are estimated using a cut-off grade above 0.4g/t Au.
3.The above data has been rounded to the nearest 100,000 tonnes, 0.1 g/t gold grade and 1,000 ounces. Errors of summation may occur due to rounding.

Key points of note in relation to the resource include:

- The resource is all classified as Inferred until database validation drilling is completed;
- The density of drilling in the resource ranges from 25m x 25m to 50m x 25m;
- The resource estimate extends over a length of 8 kilometres to an average depth of 140 metres and maximum depth of 220 metres below surface.

(For further details on the Mineral Resource Estimate refer to ASX announcement on 28 July 2021)

## Outlook

At the time of acquisition in July 2021 a number of tenement applications covering the project were pending. Since then, a total of 14 out of 23 licenses have been granted. This is sufficient granted tenure to allow on ground exploration work to commence in the December 2021 quarter. Grant of remaining tenure is expected to progress during the December 2021 quarter.

Capricorn believes that the MGGP is a potential development opportunity and intends to expedite work streams to culminate in an Ore Reserve estimate and in due course a feasibility study. The immediate work streams associated with this objective include:

- Extensive infill and extensional drilling of the resource. This initial programme is expected to be in the order of 30,000 metres of RC and diamond drilling and will take 6-12 months;
- Geotechnical, metallurgical and physical properties drilling and testing programmes;
- Environmental studies including on ground flora and fauna surveys; and
- Exploration programmes including data review, ground truthing targets, geochemical and rockchip sampling and first pass AC drilling of prioritised targets.

This body of work is expected to cost in the order of $5 million in the first year of activities.

# Exploration

## Karlawinda Gold Project

Capricorn wholly owns a 2,052 square kilometre tenement package at Karlawinda which includes the greenstone belt hosting the 2.1 million ounce Resource and 1.2 million ounce Reserve Bibra gold deposit and other areas deemed highly prospective for gold.

Due to the location of the project in the Pilbara region of Western Australia (a region not historically explored for gold), very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit.

Multiple exploration projects were advanced during the quarter. Project areas are situated proximal to either the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin (refer Figure 1).

The Nanjilgardy Fault is a regional scale structure that is known to have controls on gold mineralisation in the Pilbara craton, including the Paulsens (ASX: NST) and Ashburton (ASX: KZR) gold projects.

Situated on the southern extents of CMM tenure, the Sylvania Inlier and Pilbara Craton margin is considered a high strain zone with high prospectivity for mineralising fluids with origins from igneous intrusions formed from partial melting of a mantle wedge or enriched fluid remobilisation through regional metamorphism. This Craton boundary is interpreted to play a significant role in the placement of ore forming fluids at the +2Moz Bibra gold deposit.

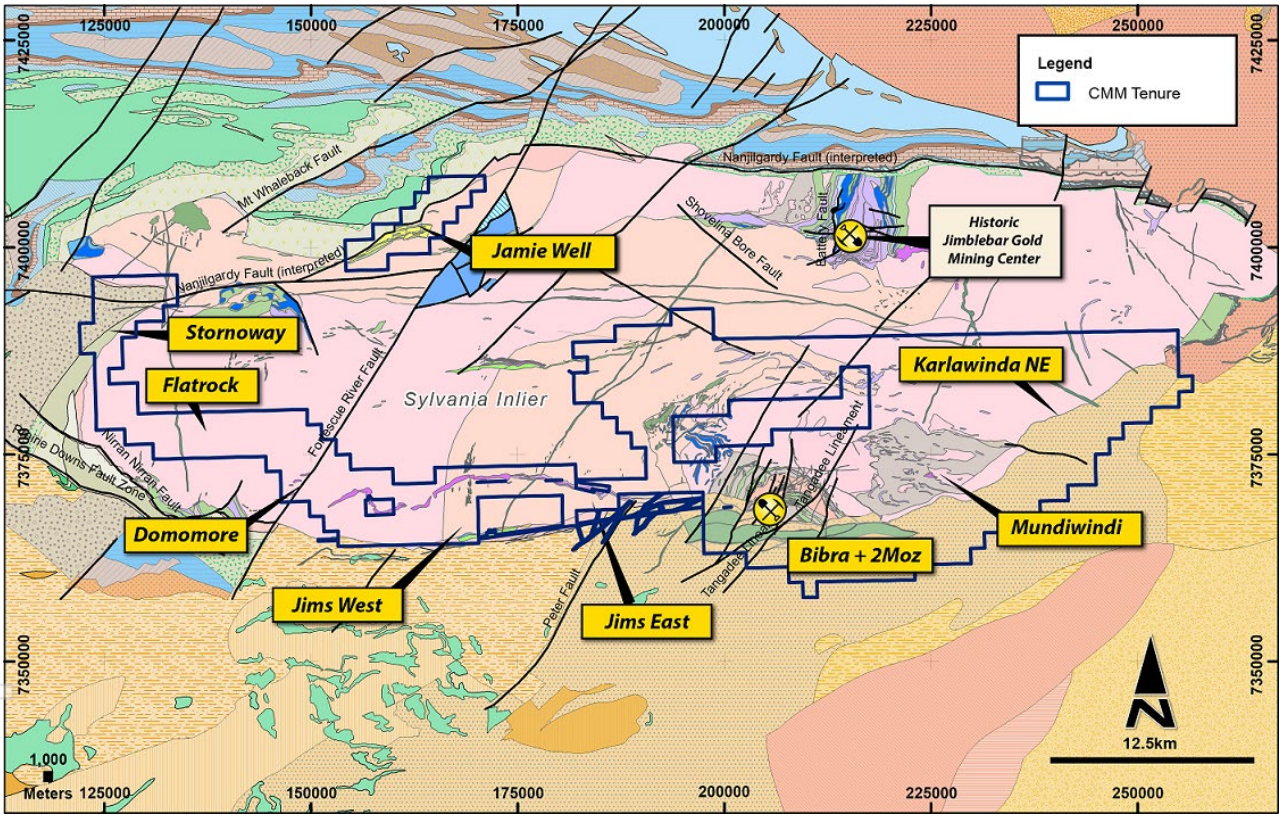



*Figure 1: CMM exploration projects showing prospects in proximity to the prospective Pilbara Craton margin and regional Nanjilgardy Fault.*

### *Near Mine AC Drilling*

A near mine AC drilling programme of 14 holes for 850 metres was completed at Bibra East, 4 kilometres southeast of Bibra, following up on results reported in the previous quarter including 9m @ 0.81g/t Au from 44m – EOH in hole KBAC1443. Holes were planned on a tighter spacing of 50m x 100m, centred around KBAC1443 as shown on Figure 2. Mineralisation in KBAC1443 is associated with magnetite and hematite alteration hosted by a sandstone unit interpreted as the same main host rocks to the Bibra deposit. Encouragingly this sandstone unit and alteration zones was intersected in the follow up drilling.

Due to longer than expected turnaround time all assays remain pending. Follow up RC will be planned should the results be encouraging.

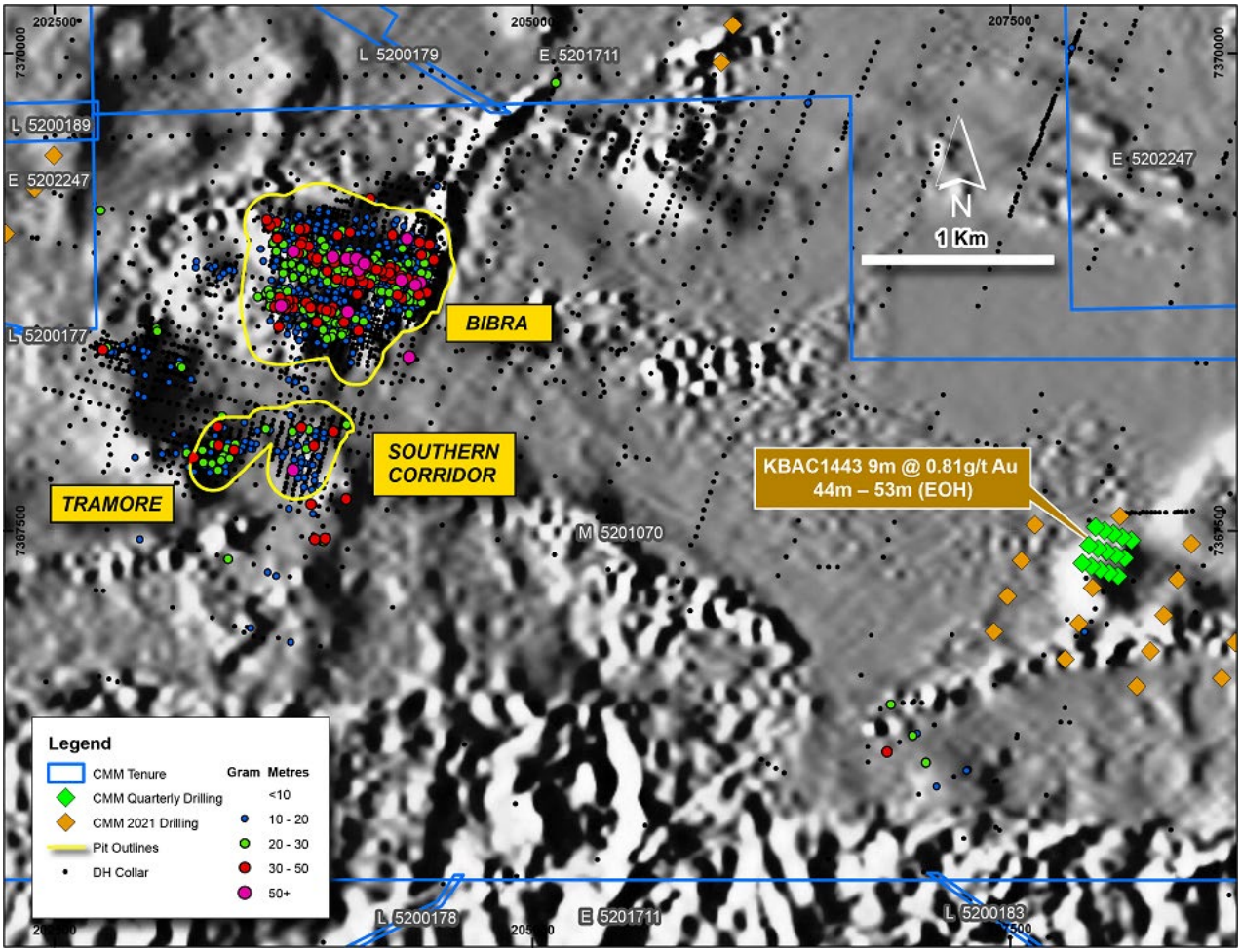



*Figure 2: Location of KBAC1443 mineralisation 4km Southeast of Bibra.*

### *Mundiwindi Greenstone Drilling*

A first pass AC drilling programme commenced over the Mundiwindi greenstone belt, 15 kilometres from the Bibra deposit. A total of 263 holes out of a planned 448 hole programme were drilled during the quarter for 9,060 metres (refer figure 3). Lithologies encountered have included Bibra lithologies (sandstone, garnet bearing schists and amphibolite), as well as ultramafic schists, granites and dolerite intrusives. There have been several signs of potential mineralisation, including veining, sericite/chlorite alteration, favourable host lithologies such as hematite-altered sandstones and shearing, particularly in contact with granitic intrusions.

No assays results have been received but are expected by the end of October 2021.

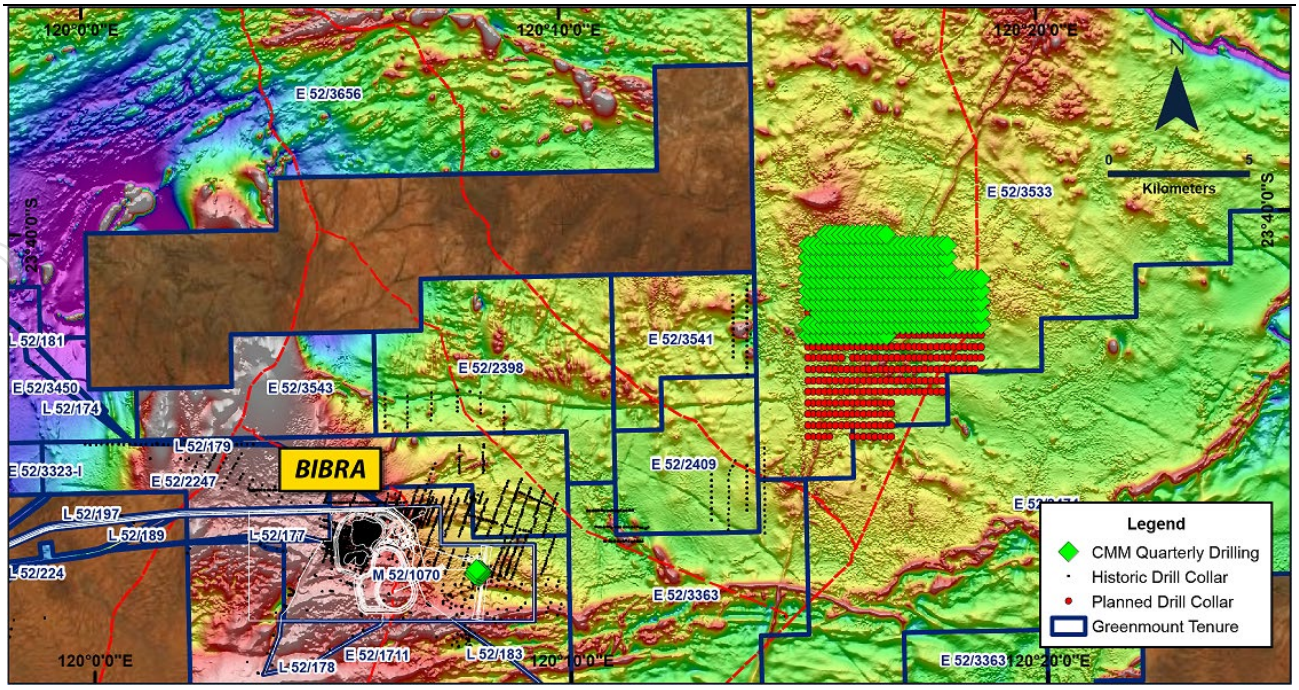



*Figure 3: Location of completed and planned Mundiwindi greenstone drilling*

### *Stornoway Prospect*

The Stornoway prospect is located 50 kilomteres southwest of Newman and 90 kilometres northwest of the Karlawinda mill. Encouraging multi element results at the Stornoway's 12 kilometre long prospective trend were reported in the June 2021 quarter. Mapping during the September 2021 quarter identifying a series of mafic and sedimentary units that strike Northeast along the Nanjilgardy fault.

First pass AC drilling has been planned on 400m x 200m spacing has been finalised and is expected to take place in the March 2022 quarter after heritage clearance surveys in the December 2021 quarter.

### *Geochemical Surface Sampling*

During the quarter assays were received for 225 rock chip, 136 soil and 4,421 ultrafine soil (UFF) samples taken from the project area.

Sample area targets include:

- Proximity to large crustal scale structures with known minable gold occurrences;
- Structural targets interpreted from recently generated aeromagnetic data;
- Gold and multi-element soil sampling targets from 2020 soil sampling program, as well as untested targets from previous campaigns;
- Re-interpretation of geological trends based on recent data generation and 2020 mapping programme; and
- Jarosite and Arsenopyrite anomalies from newly acquired remote sensing imagery (ASTER).

Pathfinder results from rock chip and UFF and geological mapping have generated several target areas at the Flatrock and Donomore prospects. Flatrock is located 70km west of the Karlawinda mill. Multiple anomalous UFF and Rock chip Au trends associated with Northwest trending structures have been identified.

The recently identified Donomore prospect is located immediately east of Flatrock (65 kilometres from the mill). The Donomore project is located along Sylvania Inlier and Pilbara Craton margin, sits entirely undercover and consists of 5 kilometres of northwest trending mag high anomalies along strike from the historic Deadmans Flat historic mine. The magnetic high features are crosscut by the regional scale

Fortescue Fault and sits under transported cover. The Deadmans Flat Mine consists of historic mine shafts and costeaning on Au-bearing quartz veins with open file rock chip values up to 21 g/t Au.

Follow up infill UFF sampling to 200m x 200m and extensional 200m x 400m spacing covering Donomore is planned for the December 2021 quarter (refer Figure 4).

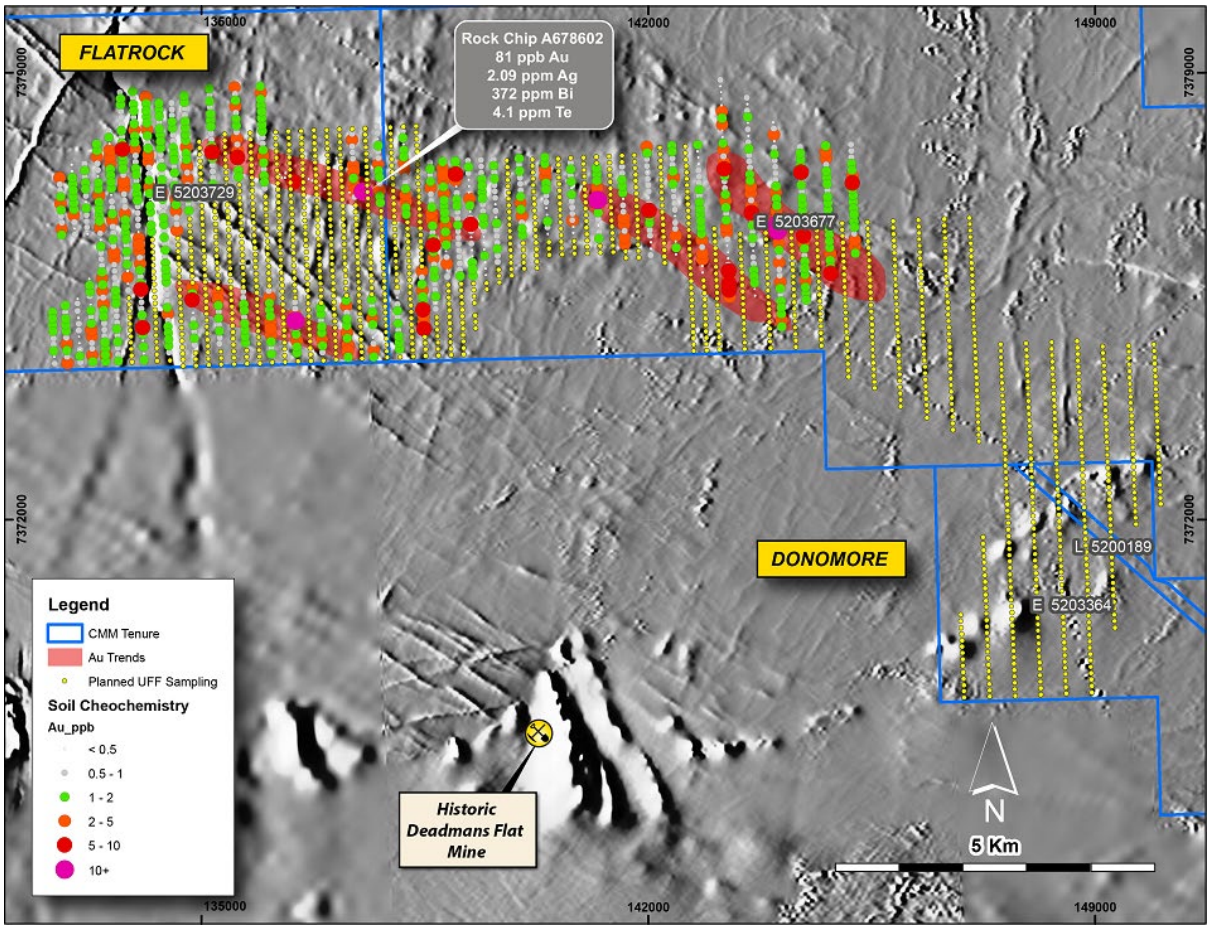



*Figure 4: Anomalous Au trends with follow up sample locations*

## Mt Gibson Gold Project

### *Regional Targeting*

Since the acquisition of the Mt Gibson Gold Project in July 2021 Capricorn's focus has been on reviewing historic geological data and early preparation for on ground reconnaissance work.

A +5km largely untested geological trend has been identified by reprocessing of open file aeromagnetic survey data which covers the Mt Gibson project area. The trend hosts the optimised open pit Capricorn deposit as well as multiple significant under explored gold occurrences (refer Figure 5).

The geological setting appears analogous to the main Mt Gibson mine centre located to its east where mineralisation is associated with lithological controlled shear zones. Along the mine trend multiple northeast faults offset the mineralisation trends and appear to play a role in grade increases at the shear zone fault intersections.

Follow up work is planned to target infill and extensions to drill intercepts located outside of the mining centre and CMM resource shells including:

- 17m @ 8.06 g/t from surface;
- 18m @ 1.24g/t from 48m; and
- 7m @ 3.13 g/t from 81m

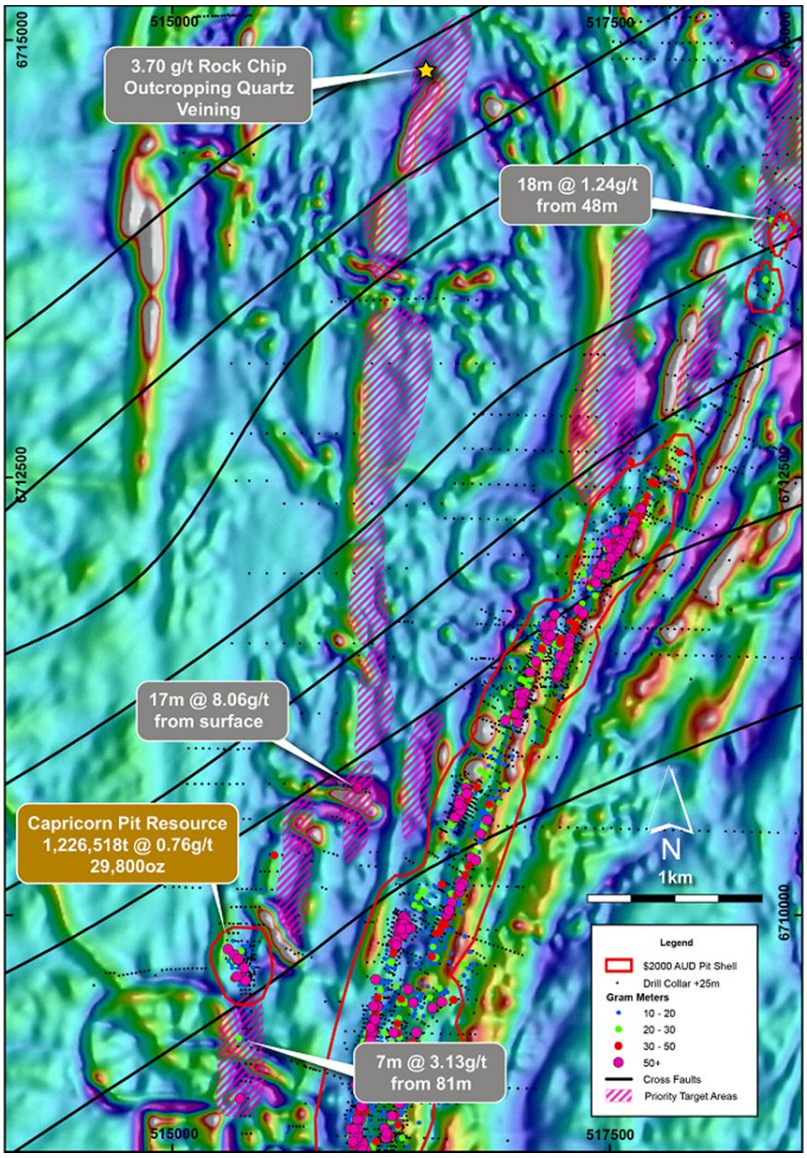



*Figure 5: High priority target areas with the 5km prospective Capricorn trend running parallel to the main Mt Gibson mine trend.*

## Corporate

In early July 2021 the Company completed the first gold sale from the KGP selling 1,477 ounces at $2,450 for $3.6 million. The Company sold a total of 21,921 ounces during the quarter achieving an average gold price of $2,362 per ounce for $51.8 million. Including the value of gold on hand at the end of the quarter, gold revenues were $55.0 million.

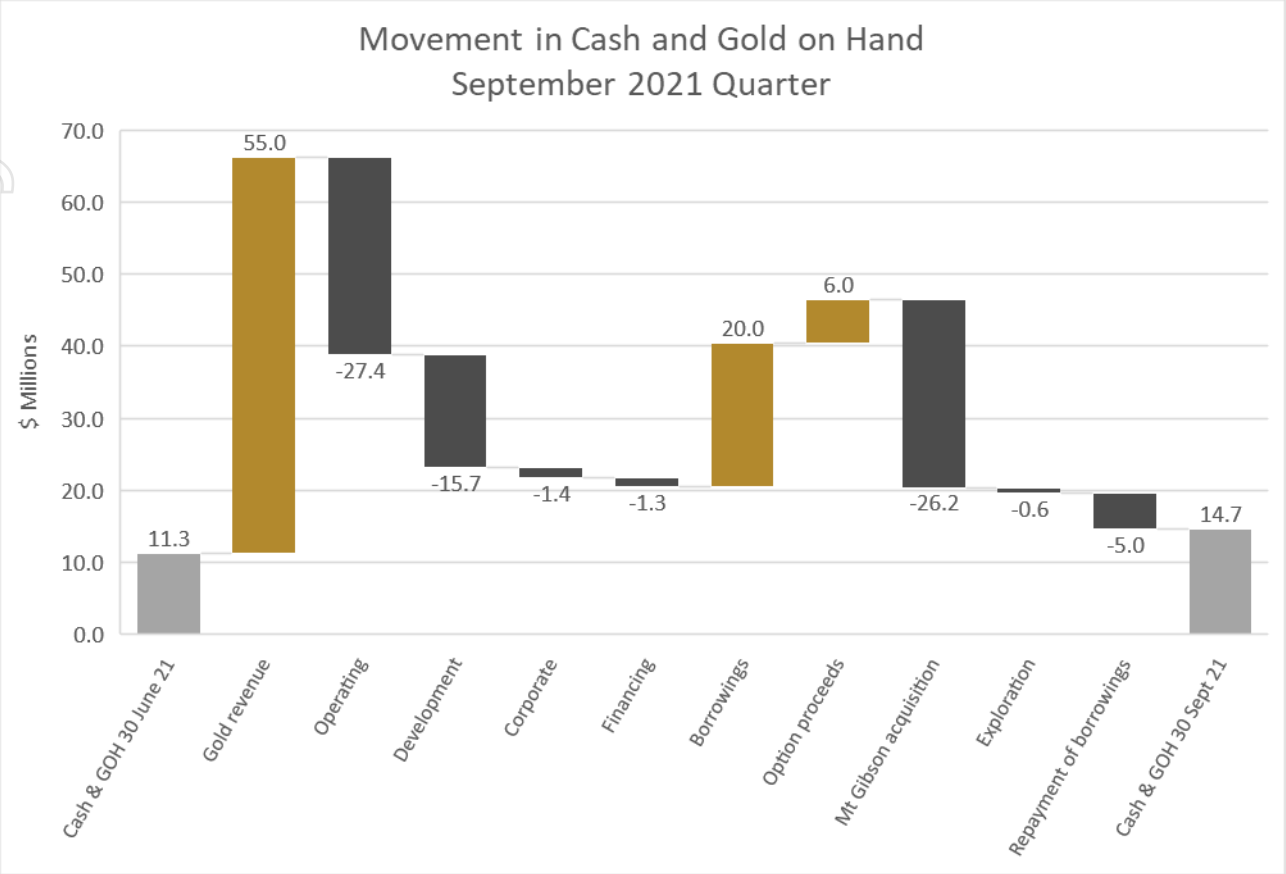
The Company delivered 10,000 ounces into gold forward sales contracts at an average price of $2,250 per ounce. The remaining 11,921 ounces were delivered at the prevailing spot price achieving an average gold price of $2,456 per ounce. As at the end of the quarter the Company had 190,000 of flat forward contracts remaining at an average delivery price of $2,250 per ounce.

Cashflow from operations (including gold on hand movement) was $27.6 million for the quarter. Development costs of $15.7 million included final payment of construction of $12.8 million and further capital payment for airstrip and additional CIL tanks.

As detailed above the Company acquired the 2.1 million ounce Mt Gibson Gold Project in July 2021 for total consideration of $39.6 million. The cash component of the acquisition ($25.6 million) was funded by a $20 million extension to the Company's financing facility with Macquarie Bank and from existing cash reserves.

At the end of the September 2021 quarter the Company made the first $5 million repayment on the Macquarie Bank debt facility. The final $12.8 million of project development costs were paid during the

quarter. At the end of the quarter Capricorn had $14.7 million in cash and bullion and $85.0 million outstanding on the debt facility.




During the quarter, payments to related parties of Capricorn and their associates (being the Company's directors) totalled $178,750. The payments were remuneration for their roles, including superannuation.

This announcement has been authorised for release by the Capricorn Metals Ltd board.

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*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.*

***Competent Persons Statement***

*The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. William Higgins who is a full-time employee of the Company. Mr. Higgins is a current Member of the Australian Institute of Geoscientists 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. Higgins 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 Mineral Resources is based on information compiled by Mr. Jarrad Price who is Resource Geologist and an employee of the Company. Mr. Jarrad Price is a current Member of the Australian Institute of Geoscientists 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. Price 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 Ore Reserves is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being 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. Donald consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The detailed information relating to the Ore Reserves and Mineral Resources reported in this announcement were announced in the Company's ASX announcements dated 17 April 2020 and 28 July 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements dated 17 April 2020 and 28 July 2021 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.*

## APPENDIX 1 – TENEMENT SCHEDULE

| Lease | Project | Company | Location | Status | Percentage Held |
|---|---|---|---|---|---|
| M52/1070 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/1711 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/2247 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/2398 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/2409 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3323 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3363 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3364 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3450 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3474 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3533 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3541 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3543 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3571 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3656 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3671 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3677 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3729 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3797 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| E52/3808 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/174 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/177 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/178 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/179 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/181 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/183 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/189 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/192 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/197 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/223 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| L52/224 | Karlawinda | Greenmount Resources Pty Ltd | Western Australia | Granted | 100% |
| M59/328[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| M59/402[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| M59/403[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| M59/404[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| E59/2450 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| E59/2546 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| E59/2594 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| E59/2606 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| E59/2608 | Mt Gibson | Greenmount Resources Pty Ltd | Western Australia | Application | 100% |
| E59/2611 | Mt Gibson | Greenmount Resources Pty Ltd | Western Australia | Application | 100% |
| E59/2612 | Mt Gibson | Greenmount Resources Pty Ltd | Western Australia | Application | 100% |
| P59/2286 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2287 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| P59/2290 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| P59/2291 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |

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| P59/2292 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2293 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| P59/2294 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2295 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2296 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2297 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2298 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2299 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2300 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2301 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2302 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2303 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2304 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2305 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Granted | 100% |
| P59/2306 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| P59/2309 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| P59/2310 | Mt Gibson | Crimson Metals Pty Ltd | Western Australia | Application | 100% |
| L59/12[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| L59/140[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| L59/16[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| L59/198 | Mt Gibson | Greenmount Resources Pty Ltd | Western Australia | Application | 100% |
| L59/45[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| L59/46[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| L59/53[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/11[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/12[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/13[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/14[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/15[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/16[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/17[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/18[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/48[1] | Mt Gibson | Extension Hill Pty Ltd | Western Australia | Granted | 100% |
| G59/67 | Mt Gibson | Greenmount Resources Pty Ltd | Western Australia | Application | 100% |

***Notes***

*1: Under the terms of the Sale and Purchase Agreement between the Company and Extension Hill, the Company has purchased a number of mining tenements at Mt Gibson from Extension Hill. The tenement transfer documentation has been lodged with the Department of Mines, Industry Regulation and Safety. As at the date of this report the transfer of tenements are pending.*

**Mining tenements acquired during the Quarter**

All Mt Gibson tenements listed above in the Tenement Schedule were acquired during the quarter.

**Mining tenements disposed during the Quarter**

Nil

## 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | **CMM Drilling**<br>For aircore exploration (AC) drilling a primary sample was collected from the drill rig. The sample was collected in a bucket and then tipped in neat lines on the ground. The piles were then sampled by using a spear to collect a field composite (4m AC) 2.0kg to 3.0kg sample which was then placed in a calico bag. The last 1m interval for each AC hole (EOH) was sampled separately for multi element analysis.<br>Field duplicates were not collected for the AC drilling. CRM were inserted at a ratio of 1:30 composites for AC. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.<br>AC samples were sent to the laboratory where they were pulverised to produce a 25 g charge for aqua regia 33 element multielement analysis for the field composites, ICP-OES and ICP-MS 48 element 4 acid digest analysis for the EOH samples.<br>**Soils and rockchips**<br>Rock chip samples were taken in the field by CMM geologists during field inspection. Rock samples were collected from surface outcrop. Outcrop samples are considered to be in situ resistant portions of the geology. Samples weighing between 0.5kg and 3kg were collected All sample locations were collected using a hand-held GPS with +/-5m accuracy using MGA zone 51 (GDA94) coordinate system.<br>**Mt Gibson Historic Results**<br>Drilling at the MGGP has been completed by multiple companies between the 1970's and 2008 using a combination of Reverse Circulation (RC), diamond drilling (DD), aircore (AC), Auger (AUG) and RAB. AUG and RAB have been excluded from the Mineral Resource estimate. The methods of collection for the historical data are unknown. Sample weight and collection method are unknown for the historical drilling. Sample condition is not logged for the majority of intervals. Sample quality in unknown for the historical drilling. The majority of samples are recorded as being assayed by fire assay. Field duplicates and certified reference material (CRM) data are present in the database although only a minor amount, and not likely to be representative of the whole project. Details of collection and increment are not available. Rock chip samples were taken in the field by previous explorers. Rock samples were collected from surface outcrop. Outcrop samples are considered to be in situ resistant portions of the geology. |
| ***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.).* | **CMM Drilling**<br>The AC drilling was completed using an 89mm blade bit.<br>**Mt Gibson**<br>RC and AC drilling bit and blade diameters are unknown for the historical drilling. Diamond drilling hole diameter is listed mainly as NQ and HQ, orientation tools unknown. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery* | **CMM Drilling**<br>Visual recovery information was collected at the time of the drilling.<br>**Mt Gibson** |

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| | *and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | The method of recording and assessing core and chip sample recoveries and results is unknown. Core recoveries are present in the database for some of the DD holes which show mostly high recovery. The measures taken to maximise sample recovery and ensure representative nature of the samples are unknown. Sample condition is only logged for a small portion of the drilling, with minimal intervals logged as wet. The majority of intervals do not have sample condition logged. It is unknown if bias exists 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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | **CMM Drilling**<br>AC chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Holes of interest are retained, all others are disposed of. Chip trays of all EOH intervlas are retained. Chip trays were stored on site in a sealed container. Chips were visually inspected and logged by an on-site geologist to record lithology (including rock type, oxidation state, weathering, grain size, colour, mineralogy, and texture), alteration, mineralisation, veining, structure, sample quality (dry/wet, contamination) and approximate water flow down hole. Mineralisation, veining and water flow were quantitative or semi-quantitative in nature; the remainder of logging was qualitative.<br>**Mt Gibson**<br>Logging processes are unknown for the historical drilling. Logging field in the database show that lithology, weathering, alteration, mineralisation, veining, RQD and core recovery and structure were logged. Some XRF measurements were also taken.<br>**Soils and rockchips**<br>Soil sampling was executed by field contractors OMNI GeoX. Samples collected by a two-man team, using two four-wheel drive quad bikes and a Toyota Landcruiser Utility support vehicle. Each field sampler will carry a handheld GPS with pre-loaded sample sites as well as hard copy maps and a list of sample location sites. For the rockchips CMM Geologists recorded a short geological description of each sample location including lithology, alteration, veining, and mineralisation.<br>Comments on lithology and regolith features are made where possible. Electronic recorded logging has been captured. Logging is qualitative in nature and captured regolith environment comments. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | **CMM Drilling**<br>AC samples were collected as 4m field composites using a spear from the individual 1m sample piles on the ground.<br>Field duplicates were not collected for the AC drilling. CRM were inserted at a ratio of 1:30 composites for AC. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.<br>The CRM's were submitted to the lab using unique sample ID's.<br>2kg – 3kg AC samples are submitted to the laboratory.<br>Samples are oven dried at 105°C then crushed and pulverised.<br>AC samples were sent to the laboratory where they were pulverised to produce a 25 g charge for aqua regia 33 element multielement analysis for the field composites, ICP-OES and ICP-MS 48 element 4 acid digest analysis for the EOH samples.<br>These sample preparation techniques are appropriate for the Karlawinda Project; and are standard industry practice for a |

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| | | gold deposit.<br><br>**Mt Gibson**<br><br>It is unknown if DD sampling was quarter, half or whole core. Non-core sampling sub sampling techniques are not known. Sample condition is not recorded for the majority of intervals, with only a minor amount of the logged values being recorded as wet. Sample preparation techniques are not known. Field duplicates and certified reference material (CRM) data are present in the database although only a minor amount, and not likely to be representative of the whole project. Details of collection and increment are not available. Sample sizes are unknown. Details for rockchips is unknown.<br><br>**Soils and rockchips**<br><br>UFF soil samples taken according to ultrafine sampling protocol as provided by Labwest. Field sampling for ultrafine fraction soils is relatively simple, requiring only the removal of coarse rock and organic material. Labwest advise a #10 (-2000 µm) mesh size. Approximately 200g of soil (~1 cupful) is adequate to allow for testing and follow-up analysis.<br><br>Standard Soils Sampling comprised collection of fine fraction soils using a #80 (-177 µm) mesh. Please note that this is consistent with previous sampling by CMM, although it was mis-recorded in the database due to a field error (since rectified). Homogenised samples were collected from 25cm x 25cm x 25cm pits.<br><br>Rock chips were prepared by Intertek SP64 preperation code, Dry, crush ~2mm, pulverise 1.2kg up to 3kg. |
| ***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.*<br>• *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.*<br>• *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.* | **CMM Drilling**<br><br>AC drilling samples were submitted to Intertek laboratory in Perth.<br><br>No field duplicates were collected for the AC drilling. CRM were inserted at a ratio of 1:30 composites for the AC. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.<br><br>**Mt Gibson**<br><br>The majority of drilling is recorded as being assayed using fire assay at Ultratrace, ALS, Genalysis and Analabs. This is considered appropriate for the deposit type. Field duplicates and certified reference material (CRM) data are present in the database although only a minor amount, and not likely to be representative of the whole project. Details of collection and increment are not available. Rock chips were analysed for Au, Ag, Cu, Pb, Zn. No QAQC recorded.<br><br>**Soils and rockchips**<br><br>UFF Soils assaying completed by Labwest using their ultrafine technique analysis code UFF-PE, Ultrafine fraction, microwave digest in Aqua Regia, Au + multi-elements. The lab has the commercial rights to conduct analysis. Sampling will be checked using CMM QAQC protocols on receival of Assays.<br><br>Standard Soils samples were analysed by Intertek Genalysis in Maddington, Perth, for gold and 52 other elements using the Aqua Regia Ultima method with a mass-spectrometry finish (AR005/MS53Au 0.5g). This method was selected due to the low-level detection limits, which allows for the delineation of low-level anomalies and identification of subtle geochemical trend.<br><br>Rock chip samples were analysed by intertek via Aqua regia digestion coupled with ICP-OES and ICP-MS with Intertek 33 Element including Gold Package using Aqua regia digestion 25g / ICP-MS, lab code AR25/MS33. |

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| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | **CMM Drilling**<br><br>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. Validated data was sent to the database administrator in Perth who then carried out independent verifications using Maxwell's Datashed.<br><br>Assay results when received were plotted on section and were verified against neighbouring holes.<br><br>QAQC reports were generated on a hole-by-hole basis by the database administrator as results were received.<br><br>Any failure in company QAQC protocols resulted in follow-up with the laboratory and occasional repeat of assays as necessary.<br><br>**Mt Gibson**<br><br>There has been no verification of significant intersections or rockchip sampling/assaying. Twin holes are planned to verify the historical data throughout the entire resource area. Logging and sampling procedures of the historical data are unknown.<br><br>**Soils and rockchips**<br><br>All CMM data is verified by the Competent person. All data is stored in an electronic Access Database.<br><br>Capricorn Metals sampling, data collection in field is captured in an electronic logging system for geological, regolith, sample id, assay and surveying information. |
| ***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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | **CMM Drilling**<br><br>The AC drillhole collar positions were surveyed before and after drilling using a handheld GPS. Drillhole location data was captured in the MGA94 grid system.<br><br>Down hole surveys were not undertaken for the any of the drilling due to the shallow nature of the holes. Any AC intercepts will be followed up with infill RC drilling using downhole surveys and more accurate collar survey technique.<br><br>**Mt Gibson**<br><br>Drillhole collar and rockchip position accuracy is unknown. Being that it is an inherited historical dataset there are no details on the collar survey or downhole survey methods. The majority of downhole surveys in the database are listed as not recorded, with some listed as being a single shot camera, and surveys are generally 30m or 50m increments downhole. As the drillhole data and historic mined pits are all spatially cohesive it is assumed that accuracy of the data is to within +/- 5m, and to be validated by CMM drilling and site visits. 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 airborne survey, this includes waste dumps and some in-pit waste dumping. The DTM was rotated in-house to the local grid coordinate system. Also available are pit surveys of the mining voids at the end of historical mining to enable depletion of the CMM resource. The pit surveys and topography surface were checked in Google Earth for accuracy. Horizontal point accuracy is expected to be <5m and vertical accuracy to 0.5m. The reference datum was GDA94 and the projection was MGA Zone 50. Topographic control appears to be of good quality and is considered adequate for resource estimation.<br><br>**Soils and rockchips**<br><br>Soil and rock chips sample location were captured using a handheld GPS. All GPS data points were later visualised using ARCGIS software to ensure they were recorded in the correct |

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| | | position The grid system used is UTM GDA 94 Zone 51. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | **CMM Drilling**<br>AC samples were collected and analysed for gold and multielements by 4m field composites down the hole, with the EOH individual metre sampled separately for multi element analysis.<br>Hole spacing was 200m x 400m for AC.<br>**Mt Gibson**<br>Drilling has been completed on a 25m (Y) x 25m (X) and 50m (Y) x 25m (X) grid. Drill spacing is sufficient for current resource classification. Sample compositing is common in the data, particularly at 3m, but the majority of samples in the database are 1m. Sample locations for the rockchips appear to have been selected based on availability of material to sample in areas of interest.<br>**Soils and rockchips**<br>Spacing for soil samples ranges from 400 x 100m to 200 x 100m and is more targeted and close-focused than previous campaigns. Sample locations for the rockchips were selected based on availability of material to sample in areas of interest. |
| ***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.*<br>• *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.* | **CMM Drilling**<br>Where possible the AC exploration drilling programmes are planned to be drilled perpendicular to the orientation of the geology. Significant mineralisation intervals in the AC will be followed up with infill RC drilling to better understand the orientation of mineralisation.<br>**Mt Gibson**<br>Drill lines are oriented across strike, running east-west in the southern half of the project and at 300 degrees in the northern half. The orebody dips at 80 degrees to the east for the majority of the project, with some steep west dip at the very northern end of the project. The drillholes have been drilled at inclination of -60 and -90 degrees. The orientation of the drilling is suitable for the mineralisation style and orientation of the MGGP mineralisation. Sample locations for the rockchips appear to be across the strike or trend of mineralised outcrops.<br>**Soils and rockchips**<br>Orientation of data in relation to geological structure Sampling is preferentially across the strike or trend of mineralized outcrops. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | **CMM Drilling**<br>Calico sample bags are sealed into green bags/polyweave bags and cable tied. These bags were then sealed in bulka bags by company personnel, dispatched by third party contractor, in-company reconciliation with laboratory assay returns.<br>**Mt Gibson**<br>Sample security measures taken on the historical data are unknown.<br>**Soils and rockchips**<br>Soil and rock chip samples collected by CMM or Omni GeoX were collected and stored on site, prior to being transported to the laboratory Intertek or Labwest. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | **Karlawinda**<br>The Competent Person for Exploration Results reported here has visited the project areas where sampling has taken place |

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| | | and has reviewed and confirmed the sampling procedures.<br><br>**Mt Gibson**<br><br>No audits or reviews have been completed on sampling techniques and only interval reviews have been completed on the available data. |

**Section 2 Reporting of Exploration Results**

| Criteria | JORC Code explanation | Commentary |
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| ***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.*<br>• *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.* | **Karlawinda**<br><br>The Karlawinda Project is located in the Pilbara region of Western Australia on tenements M52/1070, E52/1711, E52/2247, E52/2398, E52/2409, E52/3323, E52/3363, E52/3364, E52/3450, E52/3474, E52/3533, E52/3541, E52/3543, E52/3571, E52/3656, E52/3671, E52/3677, E52/3729, E52/3797, E52/3808 held by Greenmount Resources Pty Ltd, a wholly owned subsidiary of Capricorn Metals.<br><br>The near mine exploration drilling was undertaken on M52/1070, E52/2247, E52/1711, E52/2398, E52/3363 and E52/2409 in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. South32 (via the spin-out from BHPB) retain a 2% NSR whilst BHPB 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. In February 2021 South32 sold the 2% NSR to Elemental Royalties Limited. The Nyiyaparli People hold Native Title over the area including E52/1711 and M52/1070. There is no known heritage or environmental impediments over the area being explored and heritage surveys are undertaken by the Nyiyaparli People prior to exploration work being undertaken.<br><br>No other known impediments exist in the area.<br><br>**Mt Gibson**<br><br>The resource is located across priority right applications for mining tenements and granted mining tenements held by wholly owned Capricorn subsidiaries Crimson Metals Pty Ltd and Metrovex Pty Ltd; being section 100 Mining Act 1978 (WA) priority right applications P59/2286-306, P59/2309, P59/2310, mining tenements M59/328, M59/402-404, G59/11, G59/12-18, G59/48, L59/12, L59/140, L59/16, L59/45, L59/46, L59/53, E59/2450, E59/2546, and applications E59/2594, E59/2606. Whilst there is no guarantee that applications for mining tenements will get granted there is no reason based on Capricorn's due diligence to believe that they won't be granted in the ordinary course. All of the tenements are subject to a 1% NSR royalty to Avenger Projects Ltd, including gold production above 90,000 ounces. A royalty is also payable to St Barbara Limited on all gold production in excess of 20,000 ounces (excluding production from historical waste dumps and tailings) at the rate of $10 per ounce, applicable to leases M59/328, M59/402, M59/403, M59/404, G59/11, G59/12, G59/13, G59/14, G59/15, G59/16, G59/17, G59/18, L59/12, L59/16, L59/45, L59/46, L59/53 No other known impediments exist to operate in the area. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | **Karlawinda**<br><br>Prior to Capricorn Metals, the tenement was held by Independence Group NL (IGO) who undertook exploration between 2008 & 2014. Prior to Independence Group, WMC |

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| | | (BHP) explored the area from 2004 to 2008.<br><br>**Mt Gibson**<br><br>The Mt Gibson Gold Deposit (Mt Gibson) has a history of minor gold production dating back to the 1930's when prospectors operated small gold workings at Paynes-Crusoe and Tobias Find. While the area was subject to previous prospecting and company exploration in smaller leaseholdings, the Mt. Gibson Gold Project was first held in more-or-less its present configuration and extent by Reynolds Australia, who commenced exploration in the early 1980's. Soil and laterite sampling resulted in several significant gold and base metal anomalies being defined; follow up rotary air blast (RAB), air core (AC), reverse circulation (RC) and diamond drilling programs outlined significant economic laterite and oxide resources. A joint venture between Reynolds Australia Metals and Forsayth Mining Limited (with FML as the operator) began operations in 1986, mining and processing 6.5 million tonnes of laterite ores defined by FML in 1984, followed later by oxide and sulphide ores defined by drilling beneath the laterite orebodies. The project was sold by Reynolds to Camelot Resources in 1995. Continuing exploration resulted in the discovery of further oxide resources, mainly on the Taurus Trend, and the underground quartz-sulphide deposit at Wombat. These resources were subsequently mined and processed, all mining being completed at the end of 1997 and final milling of low grade stockpiles completed in June of 1998. A 4Mt dump leach remained in operation until November 1998, producing 68,868 ounces of gold. Including the dump leach, a total of 16,477,882 tonnes of ore was processed during the life of the operation, for 868,478 ounces of gold at an overall average grade of 1.64g/t Au. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | **Karlawinda**<br><br>The company is primarily exploring for structurally controlled and intrusion related gold mineralisation within the tenement package similar to other gold deposits in the Pilbara region.<br><br>**Mt Gibson**<br><br>The Mt Gibson Gold Project tenements are located at the southern extremity of the Retaliation Greenstone Belt, in the SW portion of the Yalgoo-Singleton Greenstone Belt in the Murchison Province of the Yilgarn Craton. The tenements are mostly covered by a veneer of alluvial quartz sands and laterite gravels, with sporadic greenstone subcrop and outcrop, increasingly exposed in the north of the project area. The mineralised laterite gravels are situated slightly down-slope from the lode deposits on the Gibson trend. Regionally, the greenstone belt has been metamorphosed to middle amphibolite facies and hosts a number of Au-Cu deposits and prospects, including Golden Grove, 90km to the northwest of Mt.Gibson. The lode style mineralisation at Mt Gibson is predominately hosted by three main trends:<br><br>**The Gibson Trend**<br><br>The majority of the known and mined mineralisation is hosted by this trend. It is hypothesised to have originally been a gold-copper-zinc rich Volcanogenic Hosted Massive Sulphide (VHMS) deposit that has been overprinted by a later hydrothermal gold mineralising event. This mineralised shear zone has an arcuate north-south to northeasterly strike (trending more north-easterly in the north) and extends for more than seven kilometres from the southern granite contact to beyond the Hornet ore body.<br><br>The so-called "Mine Sequence" is around 400 metres wide and consists of a parcel of sheared, metamorphosed and chlorite-biotite-muscovite altered mafic volcanics. Numerous |

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| | | felsic porphyries intrude the Mine Sequence. Mineralisation is hosted within multiple sets of elongate lodes with strong strike continuity, which anastomose and pinch-swell along strike and to depth. The main lode systems include Hornet, Enterprise, Orion and S2.<br><br>**The Taurus Trend**<br><br>The north-westerly trending Taurus Trend lies west of and diagonal to the Gibson Trend. Mineralisation is intimately associated with an apparently continuous felsic unit emplaced into the northwest trending shear and was discovered late in the life of the mining operation. It is characterised by discontinuous ore bodies, and strongly mineralised quartz-sulphide veining. The ore bodies on this trend include Sheldon and Wombat which, although not as continuous in strike as the ore bodies on the Gibson Trend, show a higher gold tenor.<br><br>**The Highway Trend**<br><br>The Highway Trend is a northeast trending shear zone, hosted by a mafic sequence in the western terrain, 11km northwest of the main mining area. This trend hosts the Highway ore body, and the Phoenix and Aquarius Prospects. It shares many of the characteristics of the Gibson trend, but it appears to lack the VHMS mineralising event and has generally been regarded as a predominantly low-grade system, although work from previous explores suggest it may have greater persistence and significance than previously thought and hence justifies further attention. The project area also hosts a number of BIF and quartz hosted small mineral occurrences including Paynes-Crusoe and MacDonald's Find. |
| ***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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.* | All relevant drillhole information can be found in section 1 – "Sampling techniques", "Drilling techniques" and "Drill Sample Recovery" and the significant intercepts table. |
| ***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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | **CMM Drilling**<br><br>Reported intercepts include a minimum of 0.4g/t Au value over a minimum length of 1m with a maximum 3m length of consecutive internal waste. No upper cuts have been applied.<br><br>**Mt Gibson**<br><br>Reported intercepts include a minimum of 1g/t Au value over a minimum length of 1m with a maximum 3m length of consecutive internal waste. The intercepts reported are those filtered to only include intercepts above 10 gram-metres as they are deemed the significant results of the project. No upper cuts have been applied. Intercepts above the historical mined pits have been removed from the reported intercepts. No aggregation methods have been applied for the rockchips. No upper cuts have been applied. No metal equivalent values are used.<br><br>**Soils and rockchips**<br><br>No aggregation methods have been applied. No upper cuts have been applied. |
| ***Relationship between*** | • *These relationships are particularly important in the* | **Karlawinda** |

| | | |
|---|---|---|
| ***mineralisation widths and intercept lengths*** | *reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | Where possible the exploration drilling programmes are planned to be drilled perpendicular to the orientation of the geology. Significant mineralisation intervals of the AC will be followed up with infill RC drilling to better understand the orientation of mineralisation.<br>**Mt Gibson**<br>The mineralisation dips steeply to the east, and drilling is generally orientated at 60 degrees to the west, meaning intercepts are roughly perpendicular to mineralisation in the majority of cases. Some vertical holes drilled from the base of mined pits and are therefore at a high degree to the mineralisation. |
| ***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.* | Refer to the diagrams in the body of this report and within previous ASX announcements. |
| ***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.* | No other substantive exploration data is available to report. |
| ***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).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Further Drilling has been designed to finish the total 15,000 planned AC drilling in a phase 2 program. This drilling will be completed with RC as the AC was unable to penetrate the Bangeamall Formation that overlies the target Archean rocks. Infill may be required upon receival of all assays from phase 1 AC. The soil sampling data will be reviewed with the aim of generating drill targets. |

# Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Capricorn Metals Ltd

| ABN | Quarter ended ("current quarter") |
|---|---|
| 84 121 700 105 | 30 September 2021 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 51,773 | 51,773 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | - | - |
| | (b) development | (15,745) | (15,745) |
| | (c) production | (27,434) | (27,434) |
| | (d) staff costs | (781) | (781) |
| | (e) administration and corporate costs | (608) | (608) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 2 | 2 |
| 1.5 | Interest and other costs of finance paid | (986) | (986) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | 9 | 9 |
| **1.9** | **Net cash from / (used in) operating activities** | **6,230** | **6,230** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | (14,000) | (14,000) |
| | (b) tenements | (11,600) | (11,600) |
| | (c) property, plant and equipment | (7) | (7) |
| | (d) exploration & evaluation (if capitalised) | (609) | (609) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | (553) | (553) |
| **2.6** | **Net cash from / (used in) investing activities** | **(26,769)** | **(26,769)** |

Item 2.5 relates to transaction costs associated with the Mt Gibson acquisition

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 6,000 | 6,000 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 20,000 | 20,000 |
| 3.6 | Repayment of borrowings | (5,000) | (5,000) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | (285) | (285) |
| **3.10** | **Net cash from / (used in) financing activities** | **20,715** | **20,715** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 10,312 | 10,312 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 6,230 | 6,230 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (26,769) | (26,769) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 20,715 | 20,715 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **10,488** | **10,488** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 10,488 | 10,292 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **10,488** | **10,292** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 179 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 85,000 | 85,000 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (Bank Guarantee) | 20,000 | 18,000 |
| 7.4 | **Total financing facilities** | 105,000 | 103,000 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | 2,000 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

Project Loan Facility of $85 million and a Bank Guarantee Facility of $20 million at normal commercial interest rates with Macquarie Bank Ltd. Macquarie Bank Ltd have first ranking security over the assets of Greenmount Resources Pty Ltd, a wholly owned subsidiary of Capricorn Metals Ltd and corporate guarantee

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from operating activities (Item 1.9) | 6,230 |
| 8.2 | Capitalised exploration & evaluation (Item 2.1(d)) | (609) |
| 8.3 | Total relevant outgoings (Item 8.1 + Item 8.2) | 5,621 |
| 8.4 | Cash and cash equivalents at quarter end (Item 4.6) | 10,488 |
| 8.5 | Unused finance facilities available at quarter end (Item 7.5) | 2,000 |
| 8.6 | Total available funding (Item 8.4 + Item 8.5) | 12,488 |
| 8.7 | **Estimated quarters of funding available (Item 8.6 divided by Item 8.3)** | N/A* |

** The Company is now generating positive operating cashflow from the Karlawinda Gold Project*

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 11 October 2021

Authorised by: The Board of Directors

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.