

# AUSTRALIA'S NEWEST GOLD PRODUCER



*DIGGERS & DEALERS*  
*2021*

KIM MASSEY



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This announcement may contain certain “forward-looking statements” and comments about future events. Forward-looking statements may include words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “outlook”, “upside”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, and other similar expressions. Indications of, and guidance on, production, future earnings and financial position and performance are also forward-looking statements. These statements are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. Actual results may differ materially from those expressed

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## COMPETENT PERSON’S STATEMENT

The information in this presentation that relates to Exploration Results is extracted from the ASX announcements released 29 July 2021 entitled “Quarterly Report and Cashflow Report” and 28 July 2021 entitled “Capricorn Acquires 2.1 Million Ounce Mt Gibson Gold Project” and for which Competent Person’s consents were obtained. The Competent Person’s consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this presentation that relates to Mineral Resources or Ore Reserves is extracted from the Mineral Resource and Ore Reserve Statements released to the Australian Securities Exchange on 17 April 2020 and 28 July 2021 and for which Competent Person’s consents were obtained. The Competent Person’s consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

## LISTING RULE 5.23 DISCLOSURE

The detailed information relating to the Ore Reserves and Mineral Resources reported in this presentation 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.

# Capricorn Metals – A Purely Western Australian Gold Producer

## Karlawinda – Australia’s newest gold mine

- First gold poured on time and on budget
- Ramp up to commercial production underway
- Long life, high margin project
  - 1.2 million ounce reserve and 2.1 million ounce resource<sup>1,2</sup>
  - Expected LOM production run rate of 110,000 – 125,000 ounces per annum
  - Targeting lowest quartile AISC’s
  - 10+ year project life on current reserves with excellent potential for mine life extensions
- Exciting exploration potential across large underexplored tenement package

## Acquisition of Mt Gibson Gold Project Provides Growth Pipeline

- Part of strategy to grow into Australian focussed multi mine gold company
- 280km north-east of Perth in Murchison region of Western Australia
- JORC compliant Mineral Resource Estimate of 2.1 million ounces<sup>2</sup>
- Combined area of ~139km<sup>2</sup> (tenure granted and under application) and 15km strike of gold bearing Retaliation Greenstone Belt
- Acquisition cost of less than \$20 per resource ounce plus 1% NSR



# Corporate Summary - CMM

## Capital Structure\*

Shares on issue	368.3 million
Performance rights	7.1 million
Share price	\$2.18
Market Cap	\$803 million
Debt (31 Jul 2021)	\$90.0 million
Debt available for drawdown	\$10.0 million
Cash & GOH (31 Jul 2021)	\$10.2 million



\* As at 30 July 2021

## Directors and Management

**Mark Clark** – Executive Chairman

**Kim Massey** – CEO

**Mark Okeby** – Non Exec Dir

**Paul Thomas** – COO

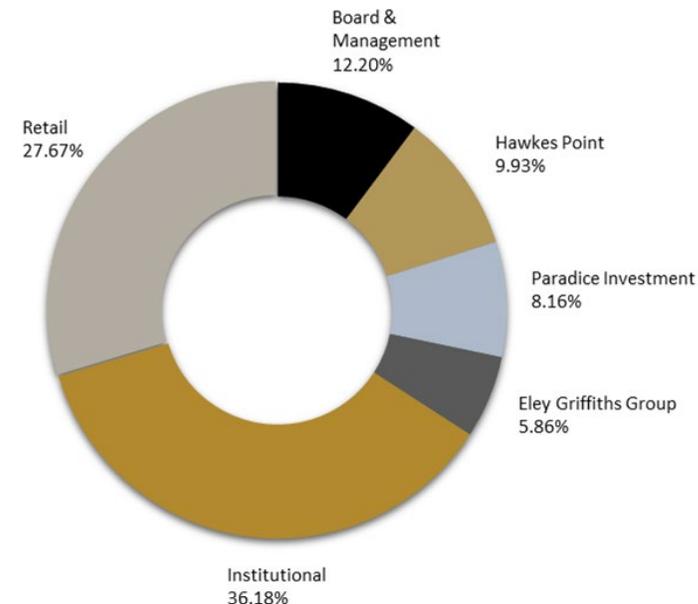
**Myles Ertzen** – Non Exec Dir

**Stephen Evans** – GM Karlawinda

**Bernie De Araugo** - Non Exec Dir

**Tony Hinkley** – Project Manager

## Shareholders



## Broker Coverage



# Karlawinda Gold Project metrics

Stage	Ramp-up
Mine type	Open pit
Plant type	<ul style="list-style-type: none"> <li>- 3 stage crushing</li> <li>- 7.5MW ball mill</li> <li>- CIL processing</li> </ul>
Throughput	4.0 – 5.0 Mtpa
Reserve grade	0.9g/t <sup>1</sup>
Recovery	92%
Strip ratio (w:o)	3.6
Mine life	10-12 years
Ore reserves	1.20Moz <sup>1</sup>
Mineral resources	2.14Moz <sup>2</sup>
Expected production	110 – 125koz pa



## Karlawinda Gold Project up and running

### Ramp up of processing plant towards commercial production

- Commissioning of processing plant commenced in June 2021 quarter culminating in first gold pour of 386 ounces
- Gold production (including gold-in-circuit) for first week of operations of 2,360 ounces
- Processing plant achieved laterite component of throughput guidance on a periodic basis
- Oxide/laterite blended feed in August to increase throughput rates
- Commissioning and optimisation of processing plant continuing with a view to ramp up to achieving guidance throughput rates on a steady state basis by end of Sept 2021 quarter



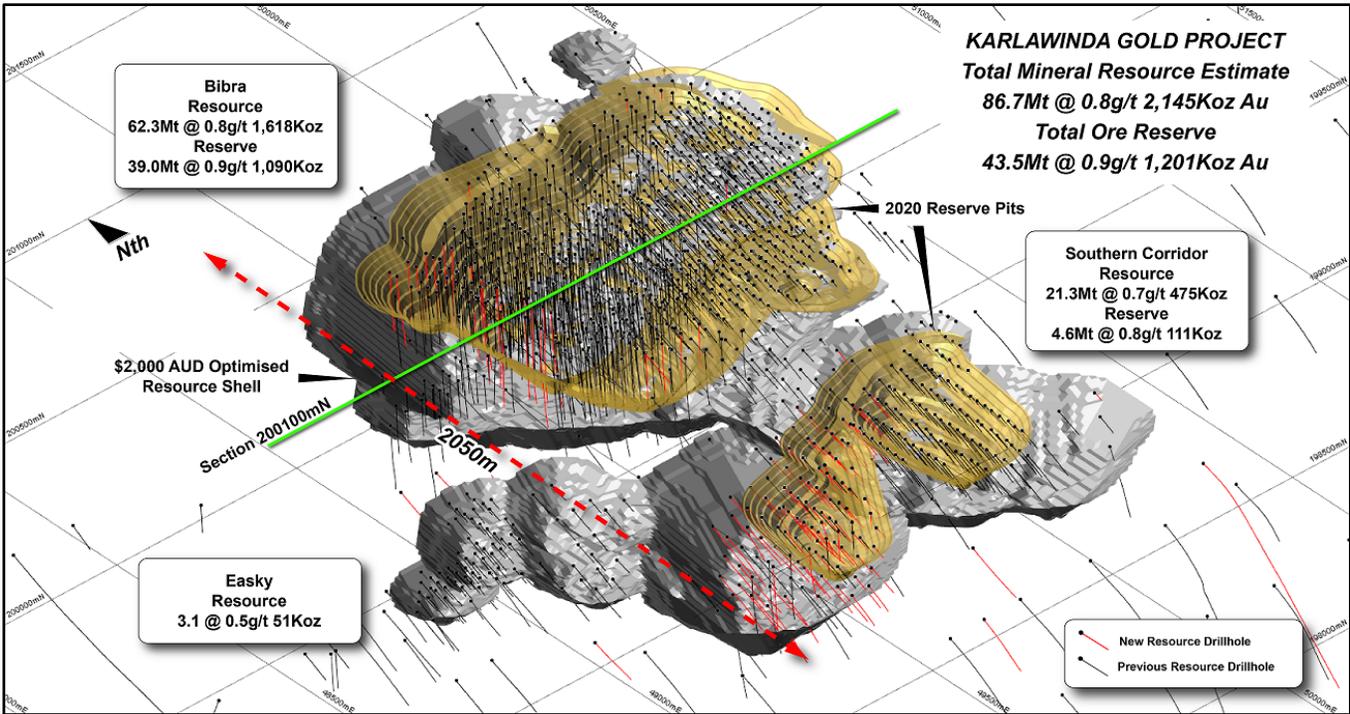
# Karlawinda Gold Project up and running

## Mining Bibra Open-pit

- Mining of Bibra open pit commenced in October 2020
- MACA mobilised second mining fleet in June 2021, third fleet to be introduced by Dec 21 to mine stage 3 waste
- Currently mining laterite ore from Bibra Stage 1&2 to access oxide ore
- 600kt of ore on ROM and further 1.2Mt of ore exposed in open pit
- Grade control drilling completed on Bibra laterite zone validating reserve model
- Grade control programme commenced in oxide zone of stage 1 and 2



# Bibra Mineral Resource and Ore Reserve Growth



## Ore Reserves 1.2 million ounces

- Mine life over 10 years
- Strip ratio 3.6

## Mineral Resource 2.1 million ounces

- Down dip extensions of Reserve
- Excellent scope for mine life extension

## Gold price used:

- Reserve A\$1,600/oz
- Resource A\$2,000/oz

## Max vertical depth of pits:

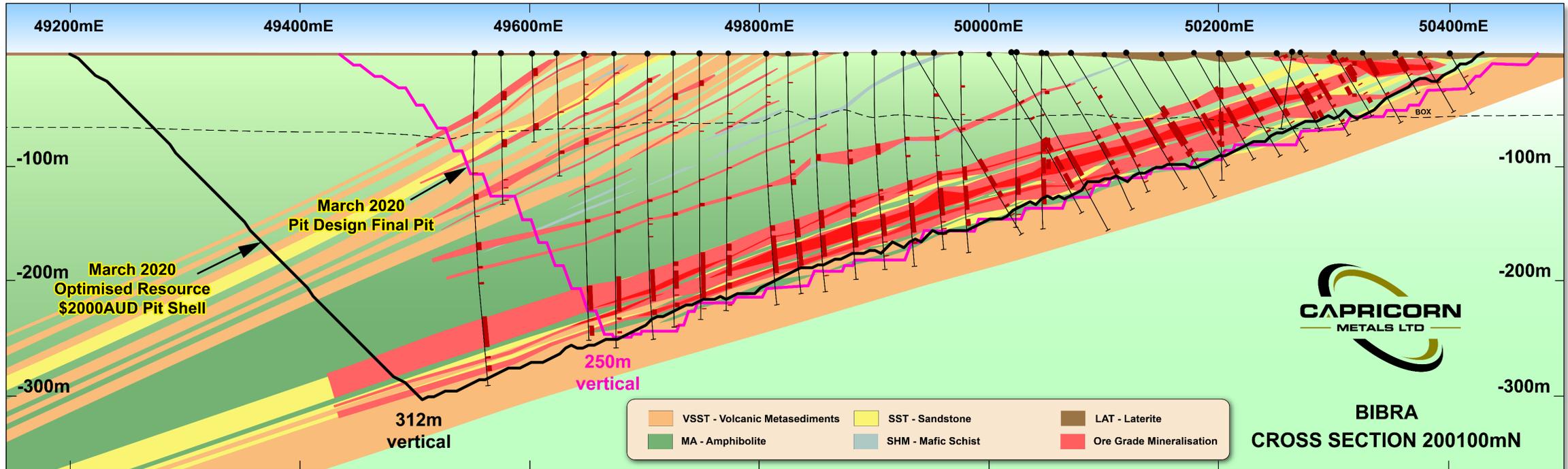
- Reserve 250m
- Resource 312m

	Tonnes (M)	Grade (g/t)	Ounces
<b>Proved &amp; Probable Reserves*</b>	<b>43.5</b>	<b>0.9</b>	<b>1,201,000</b>
M & I Resources	67.2	0.8	1,722,000
Inferred Resources	19.5	0.8	422,000
<b>Total Resources*</b>	<b>86.7</b>	<b>0.8</b>	<b>2,145,000</b>

\* Refer to Listing Rule 5.23 Disclosure on page 2.  
 \* Refer to slide 21 for full details of the Mineral Resource.  
 \* Refer to slide 22 for full details of the Ore Reserve.

# Inherent Scope for Mine Life and Reserve Extension

## Orebody Geometry & Continuity – Resource to Reserve Conversion



### Geometry & Continuity

- Shallow vertical depths (vd):
  - Reserve 250m
  - MRE 312m
- Mineralisation confirmed at 600m vd\*

### Optionality

- 937,000oz of MRE not yet in Reserve
  - primarily located down dip of current pit design (ie 250-312m vd)
- Decision on cutbacks to bring MRE ounces in to mine plan expected once operation cost structures established

### Outlook

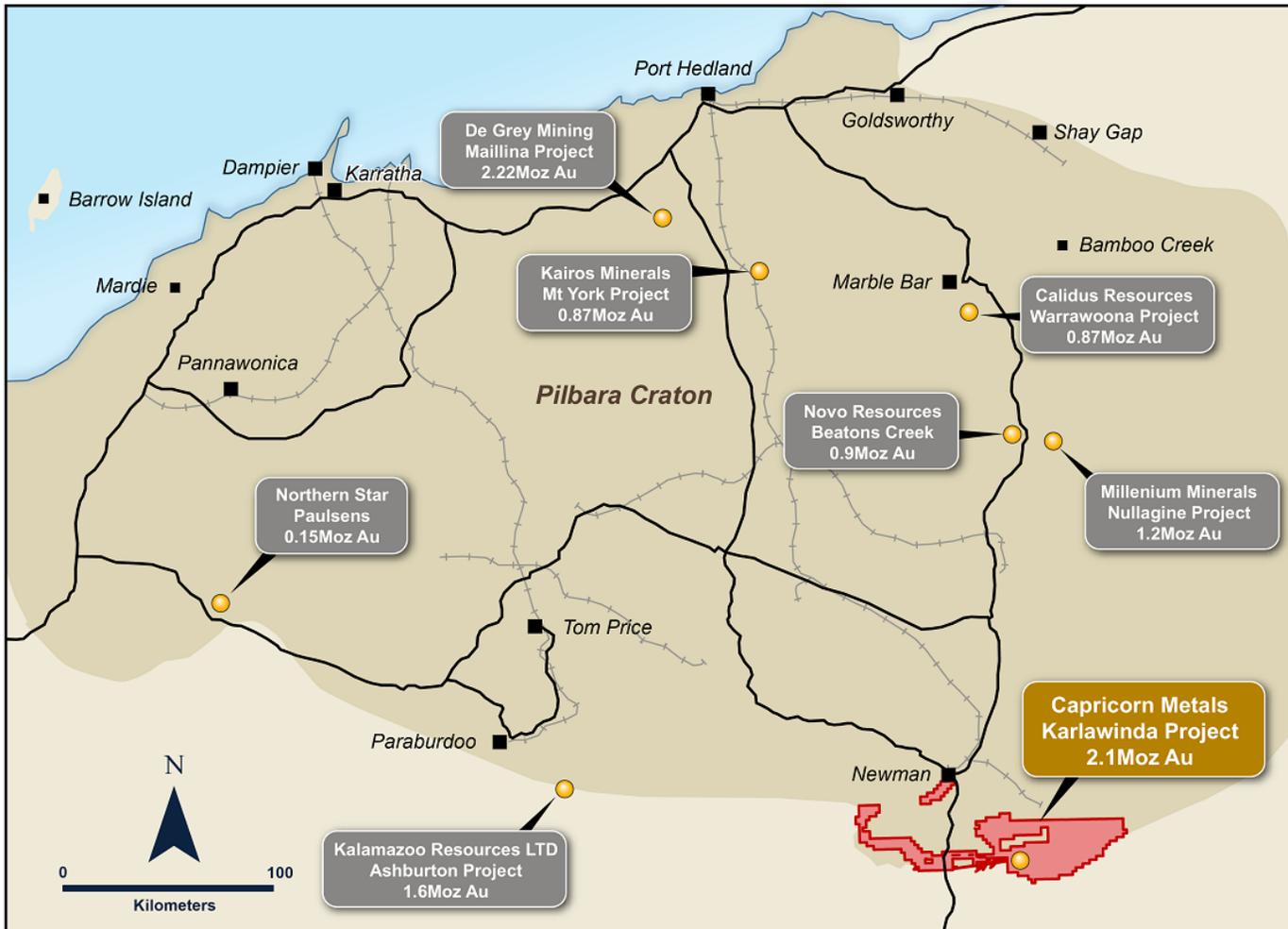
- Decision revolves around gold price and strip ratio matrix:
  - Reserve & MRE gold prices A\$700-\$1000/oz below spot!
  - Low strip ratio 3.6 on current reserve

**Very promising for mine life extension**

\* 2019 WA Government co-funded hole

# Karlawinda (KGP) Exploration Opportunity

## Gold in the Pilbara - Iron Ore Country??



## Background to the Opportunity

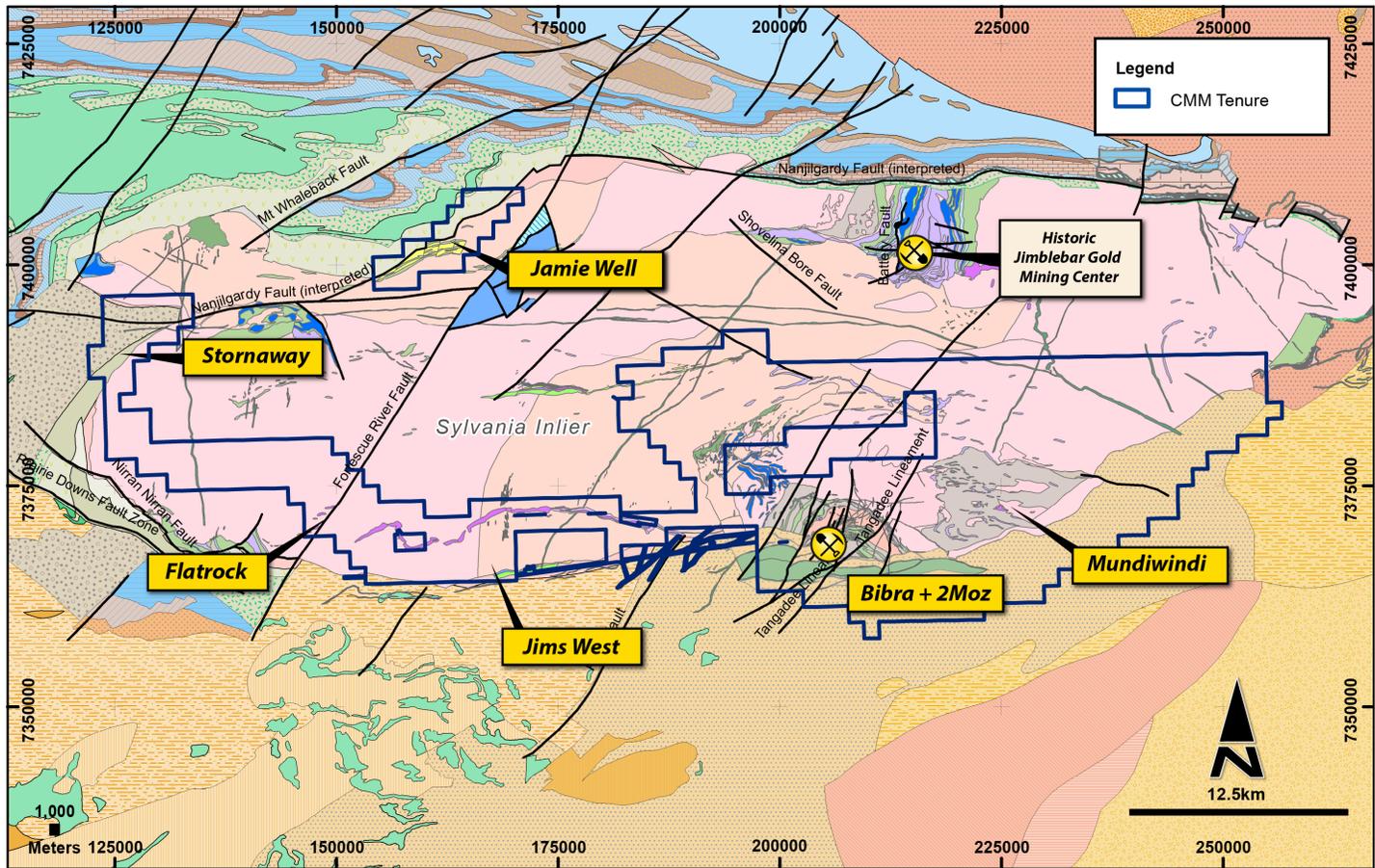
- Gold occurrences in WA most commonly associated with Archean (3.8-2.8Ga) age rocks
- KGP occurs in the small (>100km wide) Sylvania Dome which is part of the much larger Pilbara Craton
- Most of southern portion of Pilbara Craton is overlaid by Hamersley Basin (younger 2.8-2.4Ga rocks) – famously associated with Iron Ore
- Significant recent gold discoveries in Pilbara Craton across a number of geological settings:
  - **Greenstone hosted shears** – Karlawinda, Warrawoona and Mt York
  - **Granite hosted intrusion** related – Hemi
  - **Folded mafic intrusion** – Paulsens

All of these geological settings confirmed with early reconnaissance at KGP

## Prospective regional geology and minimal previous gold exploration

# Unlocking the potential of a new gold camp at KGP

*Time to look up from working on the first mine (Bibra)*



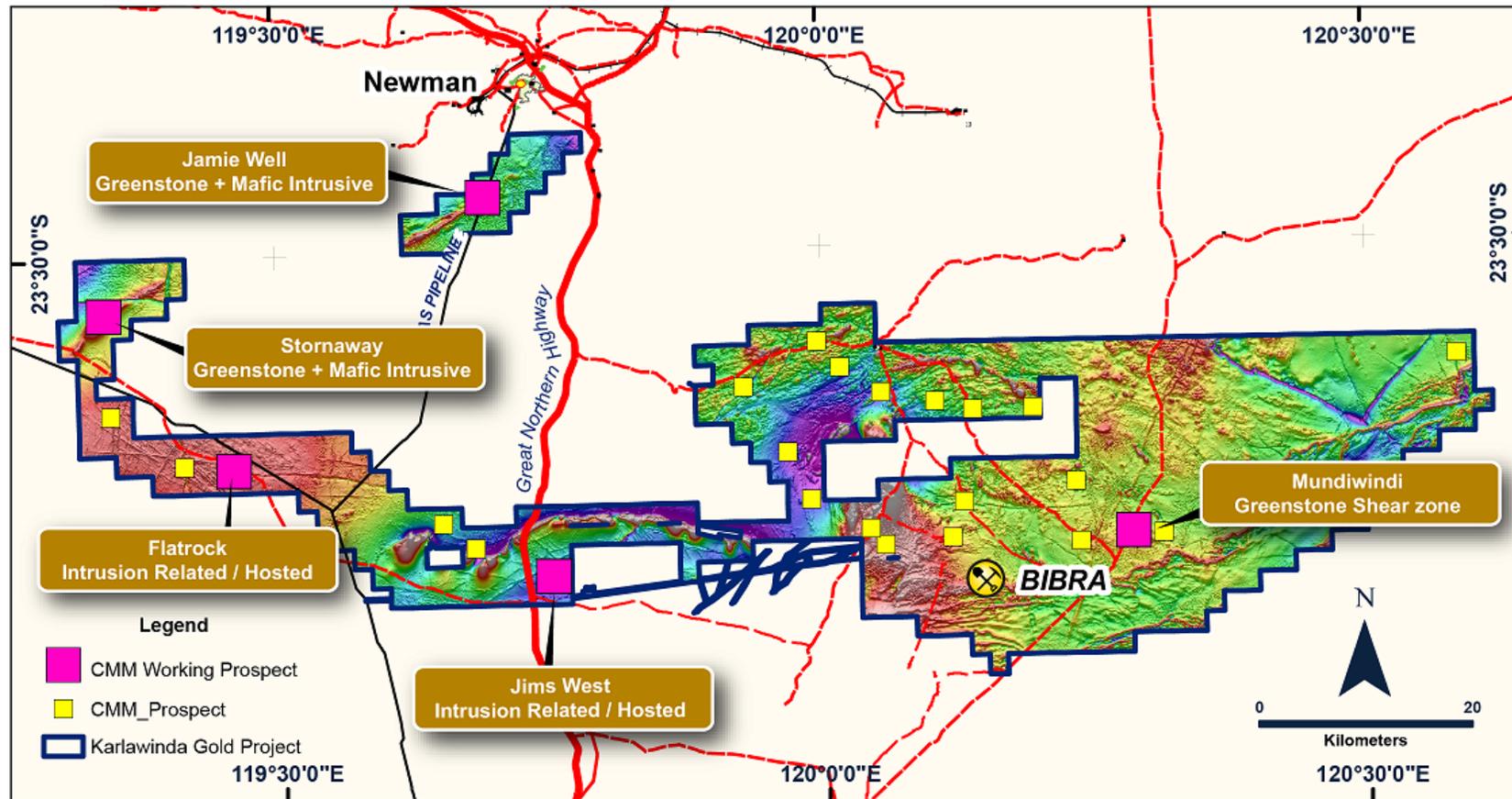
## What do we know about KGP?

- CMM owns 2,042km<sup>2</sup> of exploration & mining tenure at KGP (>100km E-W)
- Limited drilling on regional tenement package - 97% of drilling within 50km<sup>2</sup> (4km radius) area around Bibra deposit
- Systematic exploration work programme over last 12 months identified geological settings prospective for gold in the Pilbara:
  - Detailed aeromagnetic survey
  - Rock chip and soil sampling programmes
  - Geological mapping

**We aim to replicate our past experience – development of a mine in a prospective district will see good exploration unlock the endowment of the region.**

# Regional exploration potential

*Increasing focus in the next 12 months on regional exploration programmes to find the next Bibra*



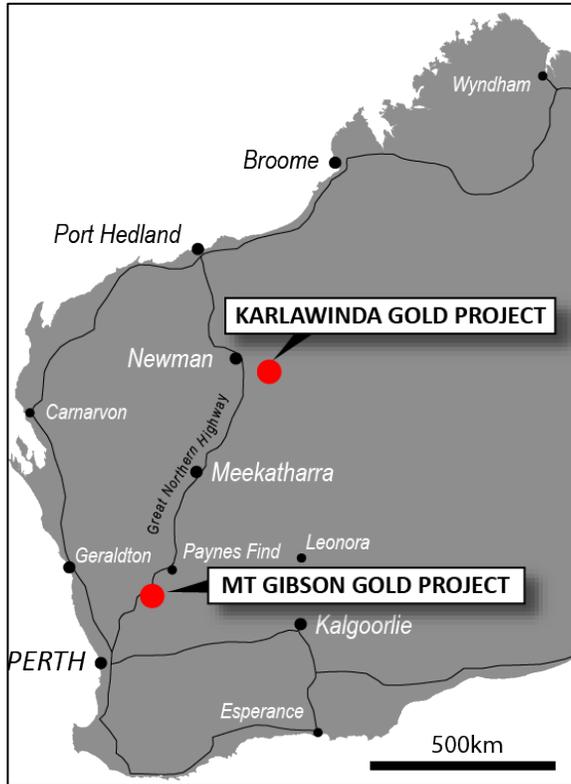
**Mundawindi**  
19,000m A/C drilling targeting Bibra style deposit

**Bibra near mine**  
10,000m RC drilling targeting Bibra extensions and repeats

**Stornaway**  
7,500m A/C drilling targeting granite hosted intrusion style deposit

**Jim's West**  
7,500m A/c drilling targeting granite hosted intrusion style deposit

# Mt Gibson Gold Project – A Unique Opportunity



- Capricorn has acquired 100% of the Mt Gibson Gold Project
- Located 280km northeast of Perth in the Murchison region of WA.
- JORC 2012 compliant Inferred Mineral Resource Estimate 79.7Mt @ 0.8g/t Au for 2,083,000<sup>1</sup> ounces of gold.
- Up front acquisition cost of less than \$20 per resource ounce
  - Total consideration \$25.6m cash
  - \$14m shares
  - Plus a 1% NSR royalty (including gold production >90koz)
- 139 square kilometres of tenure (granted & under application) and in excess of 15 kilometres of strike on the gold bearing Retaliation Greenstone Belt.
- No significant gold focused exploration conducted at the MGGP since the late 1990's. Very strong exploration potential both between, below and along strike resources.
- The acquisition is part of Capricorn's strategy to grow in to an Australian focussed multi mine gold company.

## Unique Opportunity

The project has been “off the grid” for 30 years

Owner for last 9 years was focused on the magnetite iron ore project on contiguous tenure to the north

Project was subject to forfeiture application process & appeals for last 4 years – transaction resolves & satisfies both parties to that process

# Mt Gibson Gold Project – 2.1 Million ounce resource

July 2021 Capricorn MRE of 79.7mt @ 0.8g/t for 2.1Moz<sup>1</sup>

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
<b>Total</b>	<b>Total</b>			<b>79.7</b>	<b>0.8</b>	<b>2,083</b>

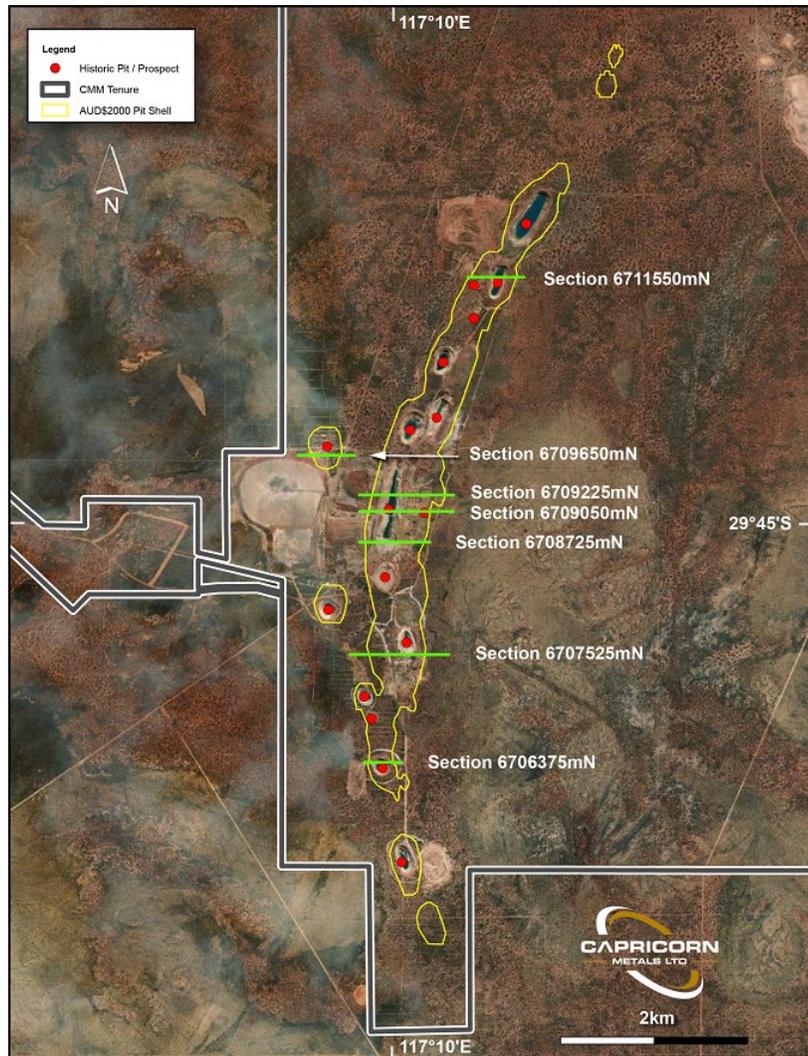
1. Mineral Resources are estimated using a gold price of A\$2000/ounce.

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.

- Resource is all classified Inferred until database validation drilling is completed.
- The density of drilling in the resource ranges from 25m x 25m to 50m x 25m.
- Resource extends over 8km to an average depth of 140m & max depth 220m.
- Ounces per vertical metre peak at over 17,000 between 70m and 120m from surface.

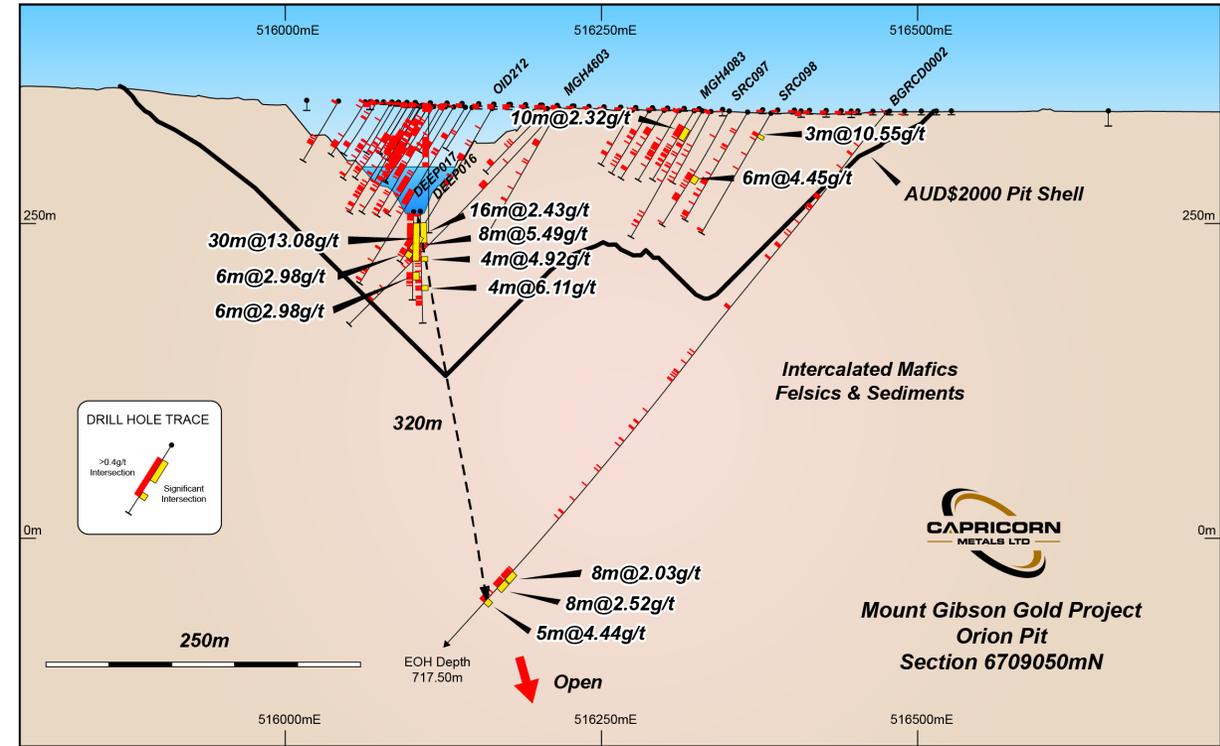
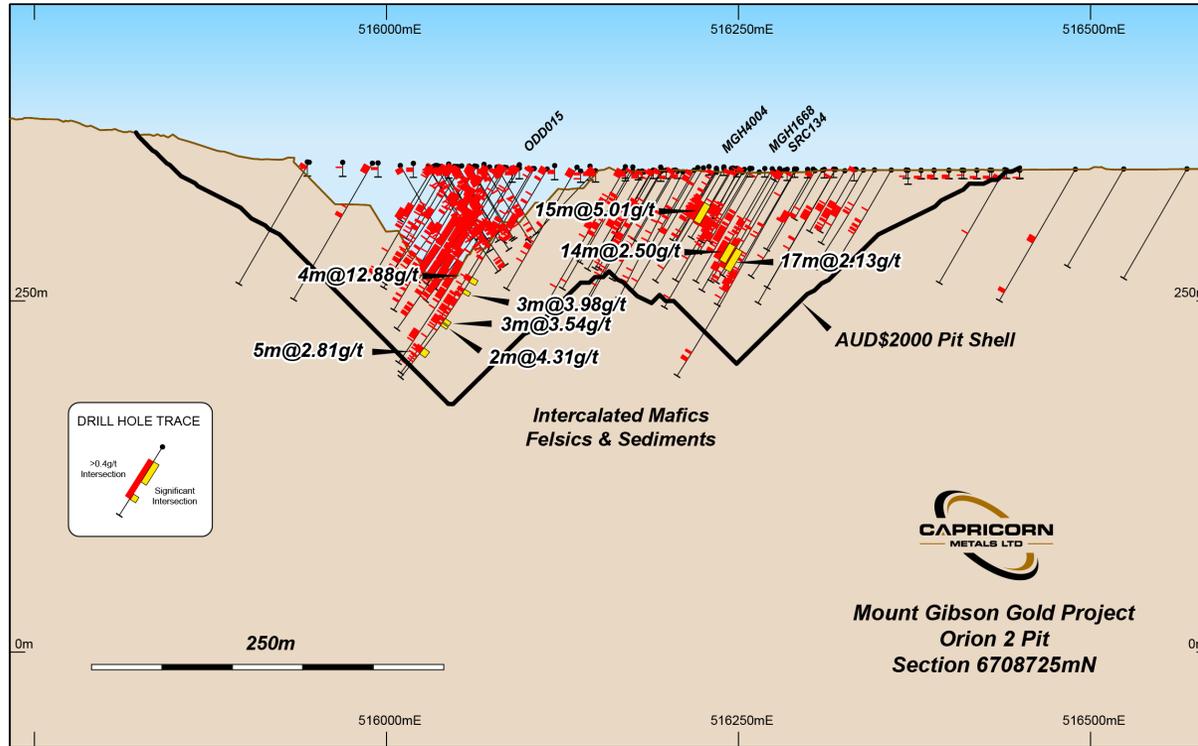
# Mt Gibson Gold Project – 2.1Moz resource in context



- Historical mining - several shallow laterite pits, 14 open pits (max depth 100m) mining oxide, transitional and primary ore zones & an UG mine
- Historical (1986-99) gold production >868,000oz, from open pits with a max depth 100m below surface (average of 60m).
- Placed on care and maintenance (processing plant removed) when the gold price was around A\$450 per ounce.
- Last resource quoted 2006 at A\$650 gold price
- MGGP has had >660,000m of exploration and operations drilling
  - <5% is deeper than 150 metres below surface
- Inferred MRE 79.7Mt @ 0.8g/t Au for 2,083,000 ounces of gold<sup>1</sup>.
  - Constrained by a A\$2,000/oz gold price optimisation
  - This pit shell indicates a “super pit” approach to mining the project – a large open pit that joins historic pits & drives deeper
- Extensive +30,000 metre drill programme planned
  - Significant gaps between resource areas requiring drill out
  - Limited drilling below resource shells

**Huge opportunity to grow the resource base and build a significant platform to underpin a mining operation**

# Mt Gibson Gold Project – Cross sections and Intercepts



Significant drill intercepts inside the current resource shells include:

- 16m @ 62.11g/t from 114m MGH4582
- 10m @ 53.76g/t from 12m MGH1828
- 3m @ 111.91g/t from 107m OND002
- 16m @ 11.48g/t from 51m WGM091
- 7m @ 26.12g/t from 57m MGH4092
- 23m @ 7.04g/t from 52m HID24

Numerous high grade intercepts below the current resource shells including:

- 27m @ 15.24g/t from 57m AQR3
- 22m @ 5.12g/t from 372m MND042
- 3m @ 37.4g/t from 716m LMGD005
- 9m @ 7.34g/t from 81m BGRC0005
- 3m @ 18.27g/t from 262m BGRC00015
- 2m @ 31.29g/t from 174m MND043

# Mt Gibson Gold Project – Infrastructure



## Enviably Location

280km from Perth

10km from Great Northern Highway

## Infrastructure Included

Airstrip and hangar

10km gravel access road – GNH

Accommodation facilities - 60 room camp and 4 houses

Buildings including office, workshop and sheds



## Mt Gibson Gold Project – the platform to a multi mine business



The MGGP is a potential development opportunity Capriorn will expedite work to culminate in an Ore Reserve estimate and in due course a feasibility study.

The immediate work streams include:

- Extensive infill and extensional drilling of the resource.
  - 30,000m RC/DD, 6-12 months
- Geotechnical, metallurgical and physical properties drilling and testing programmes
- Environmental studies including on ground flora and fauna surveys
- Exploration programmes including first pass AC drilling of prioritised targets

Budget \$5 million for first year of activities.

**The acquisition of the MGGP is Capricorn’s first significant step in its strategy to grow in to an Australian focussed multi mine gold mining company**

## Capricorn Metals Ltd (ASX: CMM)

*A compelling opportunity in the Australian gold sector*

- **Karlawinda start-up on time and on budget**
- **Ramping up to steady state guidance throughput and gold production**
- **Acquisition of Mt Gibson Gold Project provides growth pipeline**
- **Significant step in strategy of becoming Australian focussed multi asset gold producer**
- **Significant exploration opportunity to grow resource base beyond 4.2 Moz<sup>1</sup>**

**- THANK YOU -**



# Mineral Resource – Capricorn Metals Ltd

*April 2020 & July 2021*

Deposit	Type	Cut-Off	Indicated			Inferred			Total Mineral Resources		
			Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
KGP	Open Pit	0.3 <	67.2	0.8	1,722	19.5	0.7	422	86.7	0.8	2,145
MGGP	Open Pit	0.4 <	-	-	-	79.7	0.8	2,083	79.7	0.8	2,083
Total	Total		67.2	0.8	1,722	99.2	0.8	2,505	166.5	0.8	4,228

**Notes:**

1. Mineral Resources are calculated using a gold price of A\$2000/ounce.
2. Mineral Resources are calculated using a cut-off grade between 0.3g/t and 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.

\* For full details of Karlawinda Mineral Resource Estimate and Mt Gibson Mineral Resource Estimate refer to ASX Announcements dated 17 April 2020 and 28 July 2021.

# Ore Reserve – Karlawinda Gold Project

*April 2020*

			Proved			Probable			Total Ore Reserve		
Deposit	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Bibra	Open Pit	0.3 <	-	-	-	39.0	0.9	1,090	39.0	0.9	1,090
Southern Corridor	Open Pit	0.3 <	-	-	-	4.6	0.8	111	4.6	0.8	111
Total	Total		-	-	-	43.5	0.9	1,201	43.5	0.9	1,201

*Notes:*

1. *Ore Reserves are a subset of Mineral Resources.*
2. *Ore Reserves are calculated using a gold price of A\$1600/ounce.*
3. *Ore Reserves are calculated using a cut-off grade between 0.3g/t and 0.4g/t Au.*
4. *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.*

\* For full details of Karlawinda Ore Reserve Estimate refer to ASX Announcement dated 17 April 2020.



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