19 January 2022

ACTIVITIES REPORT
DECEMBER 2021 QUARTER

HIGHLIGHTS

OPERATIONS

- Quarterly gold production of 30,316 ounces (Q1: 24,329 ounces).
- Pre-royalty cash cost for the quarter of $842 per ounce and all in sustaining cost (ASIC) of $1,048 per ounce confirm Karlawinda as a low cost/high margin gold project.
- Year to date gold production (including Q1 commissioning phase production) of 54,645 ounces puts Capricorn on track to achieve FY22 guidance of 110,000 – 120,000 ounces.
- Continued ramp-up of the processing plant with the introduction of oxide ore into the mill feed increasing throughput to annualised rate of 4.6mtpa.

CORPORATE

- Strong cashflow from first full quarter of steady state operations of $40.1 million (Q1: $27.6m)
- Cash and gold on hand at quarter end $30.0 million (Q1: $14.7m) after $10m debt repayment and $7.2 million paid to complete development projects.
- Repayment of $10 million during the quarter reduced bank debt to $75m at quarter end.
- Net debt position reduced by $25.3 million to $45.0 million at quarter end.
- Gold sales of 30,835 ounces at average price of $2,397 per ounce generated $73.9 million in revenue with a further 1,020 ounces of gold on hand at the end of the quarter (Q1: 1,700 ounces).

EXPLORATION

Karlawinda

- Completion of 114 hole (14,594 metres) near mine RC drilling programme at Karlawinda with encouraging results received from:
  - Muirfield Prospect (4km from Bibra) including:
    - *8 metres @ 6.32g/t from 24 to 32m*
    - *4 metres @ 6.44g/t from 92 to 96m*
    - *12 metres @ 1.24g/t from 44 to 56m*
    - *4 metres @ 1.45g/t from 68 to 72m*
    - *4 metres @ 1.88g/t from 132 to 136m*
  - Southern Corridor deposit including:
    - *4 metres @ 1.68g/t from 157 to 161m*
    - *7 metres @ 1.29g/t from 122 to 129m*
    - *4 metres @ 3.42g/t from 97 to 101m*
    - *8 metres @ 1.99g/t from 118 to 126m*
    - *6 metres @ 1.30g/t from 98 to 104m*
    - *6 metres @ 1.18g/t from 144 to 150m*
  - Drilling ongoing and results to be included in next resource and reserve updates.

Mt Gibson

- Grant during the quarter of all key mining tenure at Capricorn's wholly owned Mt Gibson Gold Project.
- Commencement of 81,000 metre resource infill and extensional drill programme in January 2022. 30,000 metre regional exploration drill programme to commence later in March 2022 quarter.
  - The resource drill programme will underpin an updated Mineral Resource Estimate and maiden Ore Reserve Estimate, both targeted for completion in Q1FY23; and
  - Completion of a feasibility study and a development decision targeted for Q2FY23.

DECEMBER 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.

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

Maiden Quarter of Steady State Operations

Capricorn completed its first full quarter of steady state production at the KGP in the December 2021 quarter. The operation performed strongly with gold production of 30,316 ounces (Q1: 24,329 ounces).

Having achieved steady state late in the September 2021 quarter, Capricorn is reporting all-in sustaining costs (AISC) and other financial metrics for the KGP for the first time in the December 2021 quarter. Cash cost before royalties for the quarter was $842 per ounce and the all-in sustaining cost (AISC) was $1,048 per ounce. These costs confirm Karlawinda as a robust, low cost, high margin gold mining operation.

Long term AISC costs are expected to be in the order of $1,100 - $1,200 per ounce. Current quarter AISC benefited from the effect of lower than LOM stripping ratio and lower mining unit rates in the upper zones of the open pit but included the cost of significant addition to the low-grade stockpile.

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

	Unit	Dec 21Q	Sept 21Q	Jun 21Q
Operations				
Ore mined	*BCM ('000)*	**892**	602	301
Waste mined	*BCM ('000)*	**1,582**	1,511	1,365
Stripping ratio	*w:o*	**1.8**	2.5	4.5
Ore mined	*t ('000)*	**1,998**	1,200	649
Ore milled	*t ('000)*	**1,150**	978	52
Head Grade	*g/t*	**0.90**	0.84	1.41
Recovery	*%*	**91.3**	92.6	95.4
Gold production	*Oz*	**30,316**	24,329	2,360
Financial				
Cash cost	A$/oz	**842**	N/A	N/A
Cash cost inc. royalties	A$/oz	**963**	N/A	N/A
All-in sustaining cost	A$/oz	**1,048**	N/A	N/A

Cash costs and AISC calculated on a per ounce production basis.

Mining

Mining continued in the Bibra open pit with total movement of 2.5 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.

Ore mining transitioned from primarily laterite to a blend of oxide and laterite zones as additional oxide ore has become accessible in the Bibra pit. The mining reconciliation to date is in line with the Reserve for tonnes and grade.

A total of 1.98 million tonnes of ore was mined during the quarter, with ore stocks increasing significantly by 848,000 tonnes to 1.7 million tonnes at an estimated grade of 0.62g/t for 38,000 ounces. The strip ratio for the quarter was 1.8 (w:o), below the life of mine average of 3.6, as mining focussed on accessing oxide ore in stage 1 and 2 of the Bibra pit.

The third excavator and truck fleet was mobilised to site at the end of the December 2021 quarter with mining activities scheduled to increase in the March 2022 quarter.

Processing

Mill throughput continued to improve over the December 2021 quarter with a total of 1.15 million tonnes processed at a grade of 0.90g/t. The mill feed during the quarter was a combination of laterite and oxide ores which contributed to throughput increasing to an annualised rate of 4.6 million tonne per annum. This is in line with the budgeted throughput rates for this blend of material.

Gold recovery of 91.3% was in line with expectations. The commissioning of the additional two CIL tanks to provide additional leaching time was completed in the December 2021 quarter and should have a further positive impact on mill recoveries.

Development Projects

Development projects included the construction of two additional CIL tanks to provide additional leaching time for the anticipated higher processing plant throughputs and construction and sealing of a site airstrip. The additional two CIL tanks were commissioned and operational by the end of the December 2021 quarter. Construction of the site airstrip has been delayed, with the sealing of the air strip to ensure all weather access anticipated in the March 2022 quarter. The development cost for the quarter of $7.2 million (not included in AISC) is expected to reduce to minimal levels in the March 2022 quarter.

Operational Outlook

Mining volumes are expected to increase to around 1 million BCM per month in the March 2022 quarter with the third mining fleet operating at full capacity by the end of January 2022. Processing plant throughput and grade is expected to remain steady with processing of some transitional and fresh ore anticipated in the March 2022 quarter.

Gold production is expected to continue at the long-term production rate range of 110,000 to 125,000 ounces per annum. Expected gold production for the full year ending 30 June 2022 (including Q1 commissioning production) remains in the guidance range of 110,000 – 120,000 ounces.

Bibra open pit

CV5 & crushed ore stockpile (foreground) and CV6, mill and CIL circuit background

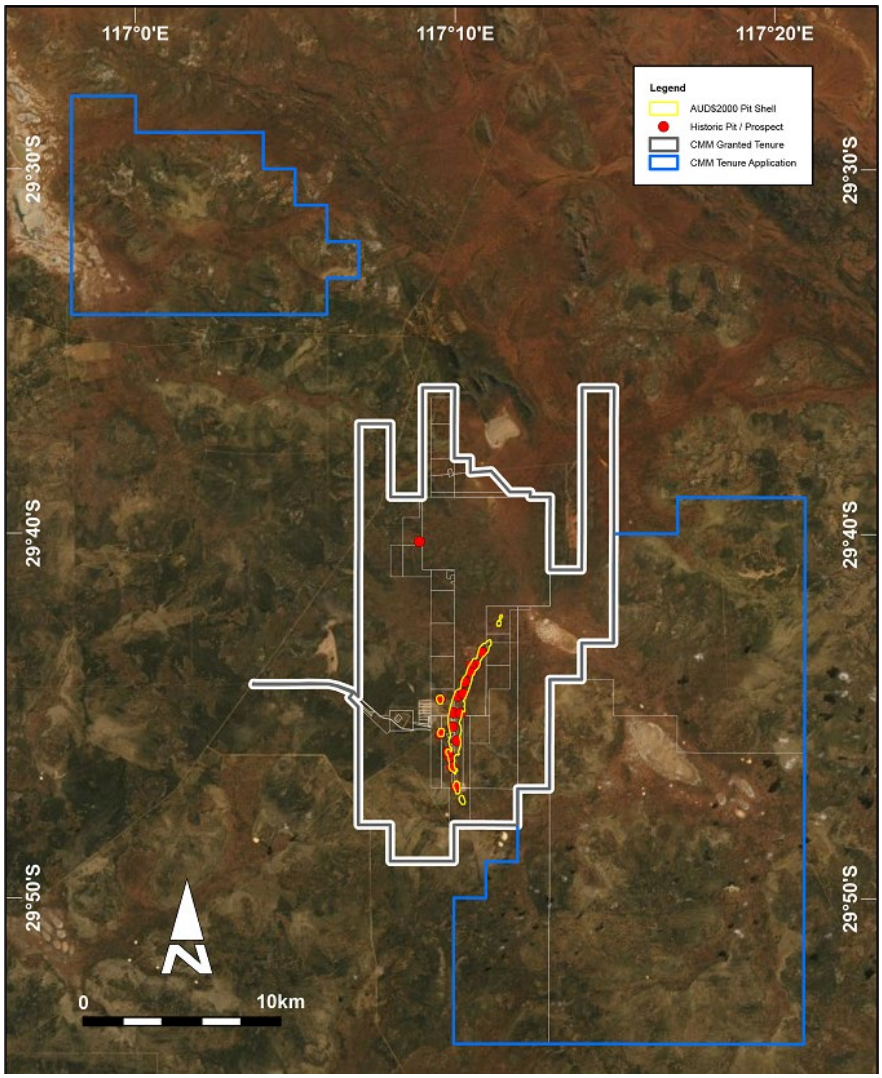
Mt Gibson Gold Project

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 WA. The project has a JORC 2012 compliant inferred Mineral Resource Estimate of 79Mt @ 0.8g/t Au for 2,083,000 ounces of gold.

In December 2021 the Company announced that all key mining tenure covering approximately 213 square kilometres at the MGGP had been granted. The granted tenure covers the 8 kilometres of strike hosting the current 2.08 million ounce gold resource, strike extension beyond the resource, and all known gold occurrences on the Mt Gibson project.

The granting of mining tenure allows Capricorn to expedite work to grow the gold resource and advance the project towards a maiden reserve estimate and feasibility study. It also provides access to commence testing of high priority exploration targets outside the immediate resource areas. For further details refer to the Exploration section below.

Applications for a further four exploration licences covering 491 square kilometres have been made by Capricorn at the MGGP since the acquisition of the project and are currently pending grant. These applications cover prospective regional exploration areas with limited historical exploration. These applications are expected to be granted in due course.



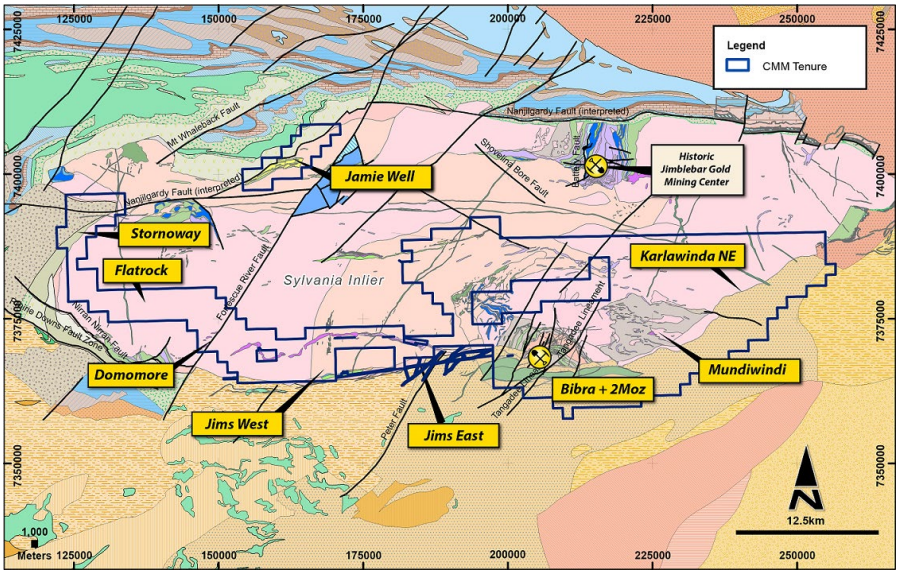
MGGP tenure granted and under application

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 highly prospective for gold.

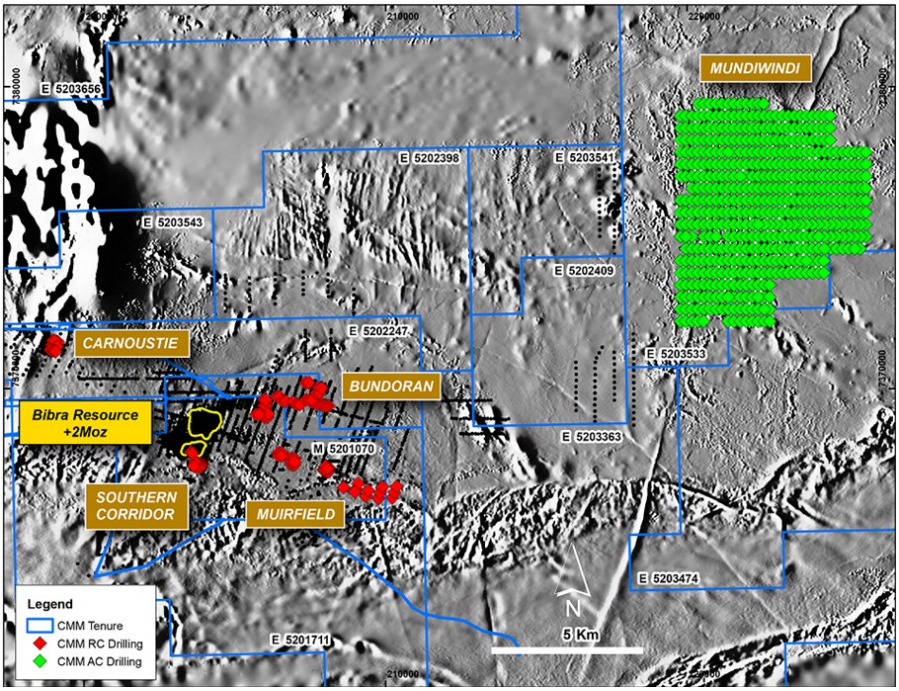
The Pilbara region of Western Australia has not had a significant historical exploration focus on gold and as a result very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit.



CMM exploration projects showing prospects in proximity of the prospective Pilbara Craton margin and regional Faults.

Near Mine RC Drilling

A near mine RC drilling programme was completed during the quarter totalling 114 holes for 14,594 metres. The drilling programme was designed to follow up results received in the previous quarter at the Muirfield Prospect (previously Bibra East) and test for extensions to the Southern Corridor deposit.



Near mine RC Drilling Programme

The main near mine targets drilled in the December 2021 quarter are tabled below:

Deposit	Holes Drilled	Metres Drilled
Muirfield	47	5,403m
Southern Corridor	18	3,960m
Bundoran	37	3,575m
Carnoustie	12	1,656m

Encouraging results were returned at each of these projects, particularly given their proximity to the Bibra mining operation. Results are summarised below:

Muirfield Prospect

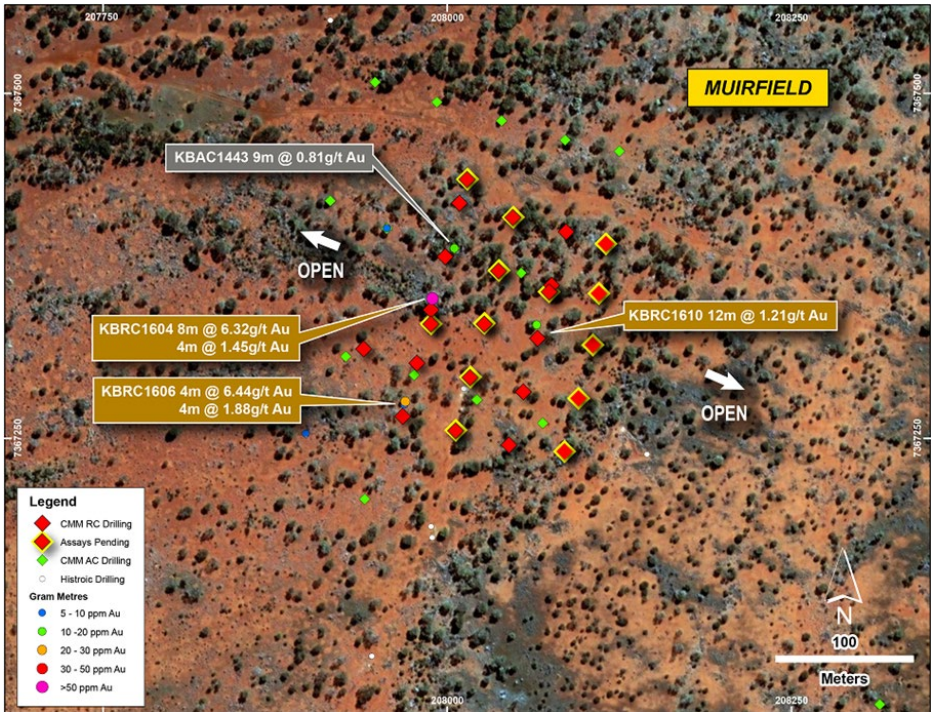
The Muirfield Prospect is situated approximately 4 kilometres east of the Bibra open pit. A first pass RC drilling programme completed during the quarter has identified significant near surface oxide and fresh rock mineralisation in initial 4 metre composite sampling. Encouragingly, mineralisation has similar geological characteristics to the Bibra deposit with intense zones of silica+sericite+biotite alteration associated with quartz veining and pyrite + arsenopyrite mineralisation.

Significant results from assays received to date include:

- 8m @ 6.32g/t from 24m in KBRC1604
- 4m @ 1.45g/t from 68m in KBRC1604
- 4m @ 6.44g/t from 92m in KBRC1606
- 4m @ 1.88g/t from 132m in KBRC1606
- 12m @ 1.21g/t from 44m in KBRC1610

Further 4m composite and 1m split assays from the project are expected to be returned in late January 2022. Based on the results received to date and due to its proximity, a follow-up drilling programme is being planned targeting Muirfield as a potential satellite project to Bibra. The results from this drilling will be included in the next resource and reserve updates.

Further details of the drilling are provided in Appendix 2.



Recent drill results at the Muirfield prospect with historic and 2021 CMM drilling locations.

Southern Corridor Deposit

The Southern Corridor deposit is immediately south of the Bibra open pit and has a JORC compliant reserve of 4.6Mt @ 0.8g/t for 110,000 ounces. An RC drilling programme on a 100x50m grid was completed at Southern Corridor testing for extensions to the mineralisation at the deposit. The mineralisation is open down dip and along strike to the south.

Significant results from assays received to date include:

- 4m @ 1.68g/t from 157m in KBRC1718
- 8m @ 1.99g/t from 118m in KBRC1719
- 7m @ 1.29g/t from 122m in KBRC1720
- 6m @ 1.30g/t from 98m in KBRC1720
- 4m @ 3.42g/t from 97m in KBRC1721
- 6m @ 1.18g/t from 144m in KBRC1722

The results received to date together with further drilling are expected to extend and improve confidence of the existing resource and lead to a positive impact on the project economics at Southern Corridor. The majority of assay results are pending.

Bundoran Prospect

The Bundoran prospect is located 1km north-east of the current Bibra Deposit. Assays returned from the near mine RC drilling programme show continuity of anomalous results in a geological setting similar to the Bibra deposit. Follow-up work is planned to review the results received to date.

Carnoustie Prospect

The near mine RC drilling programme included drilling at the Carnoustie prospect. A low-level north south striking gold anomaly has been identified over 280m x 80m. Interpreted from downhole logging and geophysical imagery mineralisation appears to be fault controlled. Follow-up work is planned to review the results received to date.

Mundiwindi Greenstone Drilling

The Mundiwindi Greenstone is situated 15 kilometres from the Bibra deposit. The project area has not been subject to any previous on-ground exploration with Capricorn being granted access to the ground in September 2020.

A first pass AC drilling programme on wide spacing of 400m x 200m was completed during the quarter at the Mundiwindi prospect. The total programme consisted of 486 holes for 16,495 metres. with 90% of assays received to date confirming low level Au + pathfinder elements.

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.

More targeted follow up infill and extensional drilling will be planned across the Mundiwindi Greenstone upon receipt and analysis of final results.

Mt Gibson Gold Project

The combined area of the granted tenure at MGGP covers approximately 213 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. The deepest open pit at the MGGP finished only approximately 100 metres below surface while the average depth of mining is between 60 – 80 metres below surface. The gold price in 1999 when the mining operations ceased was in the order of A$450 per ounce (compared to current price of circa A$2,500 per ounce).

Capricorn has completed a JORC 2012 compliant Mineral Resource Estimate for the MGGP:

	Cut-Off (g/t)	Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Open Pit	0.4	Inferred	79.7	0.8	2,083

Notes: 1.Mineral Resources are estimated using a gold price of A$2000/ounce.
2.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.

Significant opportunities for Capricorn at MGGP include:

1. 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. There are significant drillhole data gaps between areas of, and below, the optimisation shells along the length of the resource strike;
2. Although the density of drilling in the resource is very good, (ranging from 25m x 25m to 50m x 25m) the resource is currently all classified in the Inferred category until database validation drilling is completed in the planned programme;
3. The deposit is open along strike both to the north and south of current resource shells; and
4. Known gold occurrences have also been identified elsewhere on the granted tenure outside the immediate current resource areas.

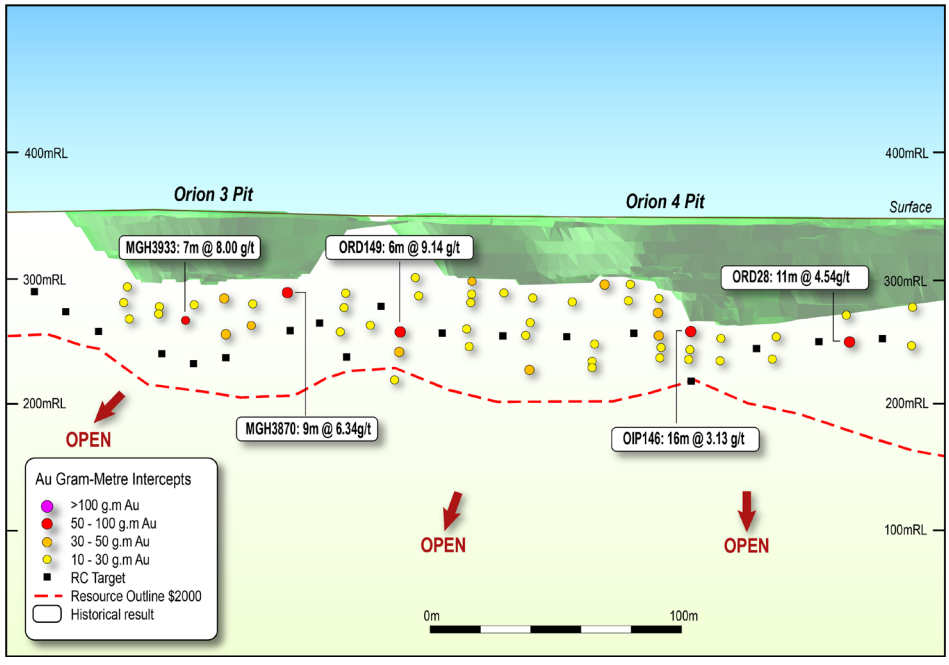
During the December 2021 quarter an extensive drill programme for both resource development and first pass exploration was planned.

Resource Development Drilling

A detailed review of the 8 kilometres strike of the current 2.08 million ounce resource has generated an 81,000 metre drill programme for the purposes of:

- Infill drilling of resource to broadly bring the drill density to 25 x 25 metres;
- Test gaps between resource pit optimisation shells along the 8 kilometres of strike of current resources; and
- Test for extensions of gold mineralisation below the current resource shells.

This drill programme commenced in January 2022 with one RC rig drilling immediately north of the Orion 4 historic pit (see below).



The programme is expected to ramp up to three rigs over the current quarter and take in the order of 4 – 6 months to complete at a cost of approximately $10 million. Results of this programme will be used as the basis for a resource update and a maiden Ore Reserve Estimate targeted for later in 2022.

First Pass Exploration Drilling

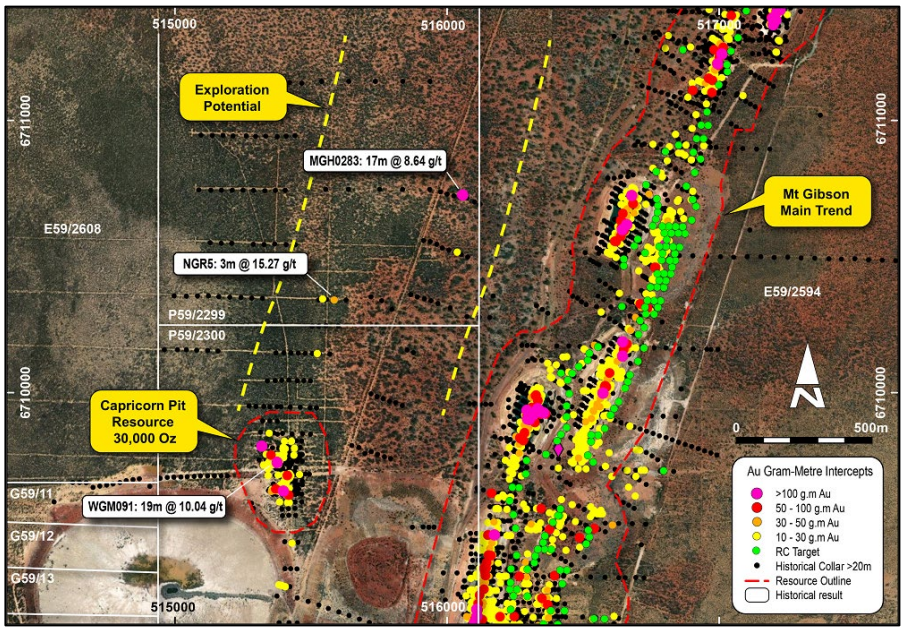
During the December 2021 quarter an exploration programme consisting of geochemical soil sampling and a staged 30,000 metre first pass aircore drill programme was planned to test some high priority known gold targets outside the resource areas and to generate geological targeting data on the regional tenement package. Exploration will apply targeting models and modern-day exploration techniques that have not previously been utilised on the project area given the area has not been subject to gold exploration for almost 30 years.

On ground exploration is expected to commence in the current quarter with low impact activities including collecting rock chip samples, geochemical soil samples and geophysical drone surveys. Required environmental and other surveys will be commenced in preparation for drilling known targets. These regional exploration activities are expected to cost in the order of $2 million over 18 months and will be scaled up in the event of positive results.

Examples of high priority, drill ready exploration targets at the MGGP include:

Parallel Structures to Mt Gibson Mine Trend

Significant unmined drill intercepts including 19m @ 10.04g/t Au, 3m @ 15.27g/t Au and 17m @ 8.64g/t Au have been identified adjacent to the Mt Gibson mine trend in an interpreted parallel structure. Based on review of downhole drill logging and geophysical data, the under explored target area which includes the unmined Capricorn resource (30,000 oz) has been identified as having a strike potential in excess of 2 kilometres and geological and structural settings amenable to host further significant mineable deposits.



Parallel structures to Mt Gibson Mine Trend

Highway/McDonalds Project

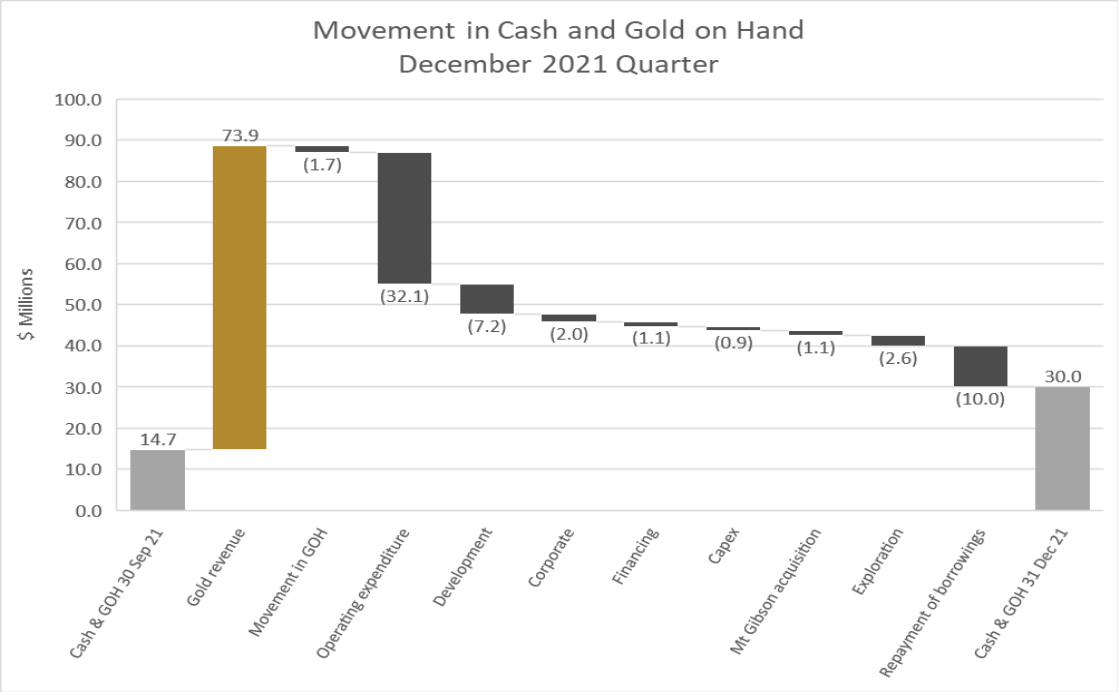
The Highway/McDonalds area is located 5km north of the current resources. The area has a prospective geological and structural setting. Much of the area is covered by up to 20 metres of transported cover. Geology consists of Banded Iron Formations, sedimentary, ultramafic and mafic schists. Two major northwest trending faults perpendicular to the northeast lithology and mineralisation appear to play a role in mineralisation where they intersect quartz veining and lithological contacts at the largely untested historic working and the Highway Mine Trend (21,000 oz mined).

Multiple old mine workings and high-grade rock chips (up to 10.30 g/t Au) have not been followed up by drilling, possibly due to the subdued Au soil sample results due to the transported cover.

Corporate

Strong operating cashflow from the KGP of $40.1 million (Q1: $27.6 million) saw Capricorn cash and bullion holdings increase to $30.0 million (Q1: $14.7m) and facilitated the scheduled $10 million (Q1: $5m) repayment of the debt facility. Bank debt reduced to $75.0 million (Q1: $85.0m) and Capricorn's net debt position reduced by $25.3 million to $45.0 million (Q1: $70.3m).

The Company spent a further $7.2 million (Q1: $15.7m) finalising development projects including the construction of the airstrip and final payments on the two additional leaching tanks. The airstrip is expected to be completed in the March 2022 quarter.



Capricorn sold a total of 30,835 ounces during the quarter achieving an average gold price of $2,397 per ounce for $73.9 million. At the end of the quarter the Company had 1,020 ounces (Q1: 1,700 oz) of gold on hand valued at $2.6 million.

The Company delivered 11,000 ounces into gold forward sales contracts at an average price of $2,246 per ounce. The remaining 19,835 ounces of sales were delivered at the prevailing spot price achieving an average gold price of $2,481 per ounce. At the end of the quarter Capricorn had 179,000 of flat forward contracts remaining at an average delivery price of $2,250 per ounce.

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.

For further information, please contact:
Mr Kim Massey
Chief Executive Officer
E: enquiries@capmet.com.au
T: +61 8 9212 4600

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 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	Granted	100%
E59/2546	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
E59/2594	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2606	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	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%
E59/2656	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E59/2657	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	Granted	100%

P59/2290	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2291	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2292	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2293	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	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	Granted	100%
P59/2309	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2310	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	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%
G59/70	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

Nil

Mining tenements disposed during the Quarter

Nil

APPENDIX 2 – SIGINIFICANT RESULTS

Hole ID	Prospect	North	East	RL	Dip	Azi	Depth
KBRC1602	Muirfield	7367429.822	208008.711	585.391	-90	0	123
KBRC1603	Muirfield	7367392.99	207997.868	585.142	-90	0	123
KBRC1604	Muirfield	7367351.313	207988.903	585.194	-90	0	123
KBRC1605	Muirfield	7367313.221	207978.501	584.896	-90	0	159
KBRC1606	Muirfield	7367278.456	207969.066	584.866	-90	0	147
KBRC1607	Muirfield	7367319.59	207938.559	584.909	-90	0	135
KBRC1608	Muirfield	7367406.276	208082.708	585.286	-90	0	99
KBRC1609	Muirfield	7367371.437	208074.48	585.167	-90	0	111
KBRC1610	Muirfield	7367332.466	208064.653	585.087	-90	0	135
KBRC1611	Muirfield	7367291.347	208057.411	585.021	-90	0	129
KBRC1612	Muirfield	7367251.795	208050.045	584.958	-90	0	93
KBRC1613	Bundoran	7367576.113	206980.999	586.844	-90	0	90
KBRC1614	Bundoran	7367579.299	206883.383	587.144	-90	0	90
KBRC1615	Bundoran	7367680.469	206984.712	587.616	-90	0	90
KBRC1616	Bundoran	7367679.282	206885.096	587.847	-90	0	90
KBRC1617	Bibra	7367691.268	206781.045	587.843	-90	0	90
KBRC1618	Bibra	7367495.708	206883.531	586.611	-90	0	90
KBRC1619	Bibra	7367483.599	206987.312	586.374	-90	0	90
KBRC1620	Bundoran	7367779.25	206446.054	587.639	-90	0	90
KBRC1621	Bundoran	7367879.53	206444.053	588.259	-90	0	90
KBRC1622	Bundoran	7367880.135	206545.125	588.575	-90	0	90
KBRC1623	Bundoran	7367780.683	206546.819	588.134	-90	0	90
KBRC1624	Bundoran	7369639.193	205965.861	599.896	-90	0	90
KBRC1625	Bundoran	7369628.322	206018.683	600.808	-90	0	90
KBRC1626	Bundoran	7369540.03	206023.325	601.321	-90	0	90
KBRC1627	Bundoran	7369434.084	205969.567	601.698	-90	0	90
KBRC1628	Bundoran	7369440.235	206022.473	602.995	-90	0	90
KBRC1629	Carnoustie	7371568.504	199026.16	597.811	-90	0	105
KBRC1630	Bundoran	7369169.109	206005.581	605.061	-90	0	90
KBRC1631	Bundoran	7369168.028	206104.086	605.687	-90	0	90
KBRC1632	Bundoran	7369051.752	206091.58	601.233	-90	0	90
KBRC1633	Bundoran	7369051.858	205992.525	600.968	-90	0	90
KBRC1634	Bundoran	7369140.999	205696.021	598.254	-90	0	90
KBRC1635	Bundoran	7369144.19	205807.202	601.958	-90	0	123
KBRC1636	Bundoran	7370028.07	207877.283	592.521	-90	0	90
KBRC1637	Bundoran	7370026.26	207774.119	593.395	-90	0	99
KBRC1638	Bundoran	7369854.998	207817.509	593.59	-90	0	93
KBRC1639	Bundoran	7369854.169	207715.286	594.806	-90	0	93
KBRC1640	Bundoran	7369634.608	207566.824	597.988	-90	0	93
KBRC1641	Bundoran	7369639.915	207469.371	599.432	-90	0	99

Hole ID	Prospect	North	East	RL	Dip	Azi	Depth
KBRC1642	Bundoran	7369636.909	207366.243	602.559	-90	0	99
KBRC1643	Bundoran	7370201.414	207452.627	594.723	-90	0	93
KBRC1644	Bundoran	7370202.338	207350.448	595.044	-90	0	97
KBRC1645	Bundoran	7369474.201	207167.261	612.965	0	0	93
KBRC1646	Bundoran	7369468.586	207061.999	606.754	-90	0	93
KBRC1647	Bundoran	7369555.864	206936.851	602.105	-90	0	93
KBRC1648	Bundoran	7369558.209	206836.956	602.886	-90	0	40
KBRC1649	Bundoran	7369557.654	206835.79	602.768	-90	0	117
KBRC1650	Bundoran	7369591.968	206687.641	605.647	-90	0	63
KBRC1651	Bundoran	7369591.918	206686.495	605.645	-90	0	105
KBRC1652	Bundoran	7369589.461	206579.317	607.941	-90	0	93
KBRC1653	Bundoran	7369731.709	206487.593	609.636	-90	0	93
KBRC1654	Bundoran	7369737.134	206393.118	608.544	-90	0	93
KBRC1655	Bundoran	7369547.715	207561.464	599.277	-90	0	105
KBRC1656	Bundoran	7369526.233	207647.016	597.805	-90	0	99
KBRC1657	Bundoran	7369502.213	207735.916	595.948	-90	0	99
KBRC1658	Bundoran	7369474.536	207828.993	594.503	-90	0	123
KBRC1659	Bundoran	7369453.04	207921.713	593.515	-90	0	135
KBRC1660	Bundoran	7369428.604	208012.797	592.62	-90	0	135
KBRC1661	Bundoran	7369422.043	208103.816	591.605	-90	0	117
KBRC1662	Carnoustie	7371583.738	198970.913	597.622	-90	0	141
KBRC1663	Carnoustie	7371556.662	199082.956	597.758	-90	0	135
KBRC1664	Carnoustie	7371535.256	199146.238	597.483	-90	0	141
KBRC1665	Carnoustie	7371434.093	198930.394	597.239	-90	0	135
KBRC1666	Carnoustie	7371424.412	198987.38	597.291	-90	0	135
KBRC1667	Carnoustie	7371402.655	199044.778	597.15	-90	0	141
KBRC1668	Carnoustie	7371380.829	199106.994	597.212	-90		159
KBRC1669	Carnoustie	7371285.45	198887.11	596.496	-90	0	135
KBRC1670	Carnoustie	7371267.573	198944.109	596.763	-90	0	147
KBRC1671	Carnoustie	7371251.187	199004.606	596.747	-90	0	141
KBRC1672	Carnoustie	7371235.81	199058.531	596.794	-90	0	141
KBRC1673	Muirfield	7367439.041	208013.008	585.364	-60.98	0	177
KBRC1674	Muirfield	7367333.698	207982.974	585.053	-57.12	0	153
KBRC1675	Muirfield	7367362.652	208069.888	585.323	-60.99	0	111
KBRC1676	Muirfield	7367241.394	208084.557	584.932	-90	0	111
KBRC1677	Muirfield	7367280.67	208095.658	585.035	-90	0	111
KBRC1678	Muirfield	7367314.557	208103.522	585.103	-90	0	123
KBRC1679	Muirfield	7367357.111	208109.548	585.226	-90	0	117
KBRC1680	Muirfield	7367392.815	208113.132	585.237	-90	0	147
KBRC1681	Muirfield	7366726.906	208602.579	583.907	-90	0	99
KBRC1682	Muirfield	7366581.724	208982.827	583.428	-90	0	111
KBRC1683	Muirfield	7366675.058	209027.694	583.551	-90	0	105
KBRC1684	Muirfield	7366861.142	209084.526	583.94	-90	0	117
KBRC1685	Muirfield	7366625.766	209423.301	582.809	-90	0	99

Hole ID	Prospect	North	East	RL	Dip	Azi	Depth
KBRC1686	Muirfield	7366440.936	209354.986	582.405	-90	0	129
KBRC1687	Muirfield	7366371.654	209756.287	582.036	-90	0	129
KBRC1688	Muirfield	7366554.96	209818.563	582.37	-90	0	117
KBRC1689	Muirfield	7366748.496	209896.655	582.428	-90	0	117
KBRC1690	Muirfield	7366386.363	210228.341	581.351	-90	0	99
KBRC1691	Muirfield	7366574.586	210299.386	581.775	-90	0	141
KBRC1692	Muirfield	7366764.654	210369.21	582.14	-90	0	135
KBRC1717	Southern Corridor	7367511.245	203913.1	587.734	-60	0	156
KBRC1718	Southern Corridor	7367487.101	203909.686	587.721	-59.9	0	168
KBRC1719	Southern Corridor	7367467.716	203888.937	587.719	-60.87	0	162
KBRC1720	Southern Corridor	7367446.111	203878.529	587.658	-61.51	0	156
KBRC1721	Southern Corridor	7367427.757	203841.581	587.434	-60.49	0	186
KBRC1722	Southern Corridor	7367496.559	203863.858	587.711	-60.49	0	198
KBRC1723	Southern Corridor	7367380.583	203831.522	587.449	-61.09	0	174
KBRC1724	Southern Corridor	7367407.908	203733.005	587.394	-60.03	0	228
KBRC1725	Southern Corridor	7367432.629	203637.01	587.357	-61.23	0	276
KBRC1726	Southern Corridor	7367454.966	203747.969	587.54	-60.69	0	228
KBRC1727	Southern Corridor	7367480.937	203652.11	587.489	-61.2	0	270
KBRC1728	Southern Corridor	7367499.644	203756.798	587.616	-60.22	0	240
KBRC1729	Southern Corridor	7367528.373	203659.837	587.51	-60	0	270
KBRC1730	Southern Corridor	7367548.314	203768.16	587.786	-60	0	240
KBRC1731	Southern Corridor	7367577.369	203671.877	587.664	-60	0	282
KBRC1732	Bibra	7367872.951	203584.086	587.871	-60	0	228
KBRC1733	Bibra	7367918.172	203535.527	587.841	-60	0	252
KBRC1734	Bibra	7367935.08	203547.899	587.885	-60	0	246
KBRC1735	Muirfield	7367265.218	208010.749	584.849	-60	0	108
KBRC1736	Muirfield	7367300.899	208020.689	584.997	-60	0	138
KBRC1737	Muirfield	7367342.436	208026.172	584.887	-60	0	108
KBRC1738	Muirfield	7367378.283	208037.827	585.168	-60	0	126
KBRC1739	Muirfield	7367418.384	208048.689	585.351	-60	0	108

APPENDIX 3 – JORC CODE, 2012 EDITION TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	**Drilling** For Reverse Circulation (RC) drilling 2kg - 3kg samples are split from dry 1m bulk samples. The sample was collected through a cyclone and cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. RC Field duplicates were collected at a ratio of 1:40 and collected at the same time as the original sample through the B chute of the cone splitter. Matrix matched CRMS and OREAS certified reference material (CRM) were inserted at a ratio of 1:40. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges. Samples were sent to the laboratory where they were pulverised to produce a 50 g charge for fire assay. 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. 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. AC samples were sent to the laboratory where they were pulverised to produce a 25 g charge for aqua regia 15 element multielement analysis for the field composites using AR25PATH analysis
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.).*	**Drilling** Topdrill and Ranger Drilling drill rig was used to drill the RC drill holes: Hole diameter was 140mm (5.5"). Prospect Drilling was used for AC drilling using an 89mm blade bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Drilling** Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. At the end of each metre the bit was lifted off the bottom to separate each metre drilled. The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery. There is no obvious relationship between sample recovery and grade. Visual recovery information was collected at the time of the AC drilling.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	**Drilling** Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. 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,

	• *The total length and percentage of the relevant intersections logged.*	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. 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 intervals 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.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Drilling** Southern Corridor RC holes samples were split from dry, 1m bulk samples via a cone splitter directly from the cyclone. RC Field duplicates were collected at a ratio of 1:40 and collected at the same time as the original sample through the B chute of the cone splitter. Matrix matched CRMS and OREAS certified reference material (CRM) were inserted at a ratio of 1:40. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges. The duplicates and CRM's were submitted to the lab using unique sample ID's. 2kg – 3kg RC samples are submitted to the laboratory. Samples are oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg. Samples were then pulverised in LM5 mills to 85% passing 75µm under sample preparation code SP3000 which consists of a 5-minute extended preparation for RC/Soil/RAB. The extended time for the pulverisation is to improve the pulverisation of samples due to the presence of garnets in the samples. All the samples were analysed for Au using the FA50AAS technique which is a 50g lead collection fire assay. This sample preparation technique is appropriate for the Karlawinda Project; and is standard industry practice for a gold deposit. Regional RC drilling undertook initial 4m field composites using a spear from the individual 1m sample piles on the ground. aqua regia assaying, with fire assay using the above protocols being used on samples re-split to 1m, where composites returned anomalous gold results. Quality control for maximising representivity of samples included insertion of field duplicates and laboratory duplicates. AC samples were collected as 4m field composites using a spear from the individual 1m sample piles on the ground. 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. The CRM's were submitted to the lab using unique sample ID's. 2kg – 3kg AC samples are submitted to the laboratory. Samples are oven dried at 105°C then crushed and pulverised. AC samples were sent to the Minanalyticle laboratory where

		they were pulverised to produce a 25 g charge for aqua regia 15 element multielement analysis for the field composites using AR25PATH analysis. These sample preparation techniques are appropriate for the Karlawinda Project; and are standard industry practice for a gold deposit.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	**Drilling** Drilling samples were submitted to Minanalyticle laboratory in Perth. 1m RC samples were assayed by a FA50AAS 50gm fire assay which is a total assay. 4m composite sampling used 25 g charge for aqua regia 15 element multielement analysis for the field composites using AR25PATH analysis RC Field duplicates were collected at a ratio of 1:40 and collected at the same time as the original sample through the B chute of the cone splitter. Matrix matched CRMS and OREAS certified reference material (CRM) were inserted at a ratio of 1:40. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges. AC drilling samples were submitted to Minanalyticle laboratory in Perth. 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.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**Drilling** Logging and sampling were recorded directly into a Micromine Geobank 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. Assay results when received were plotted on section and were verified against neighbouring holes. QAQC reports were generated on a hole-by-hole basis by the database administrator as results were received. Any failure in company QAQC protocols resulted in follow-up with the laboratory and occasional repeat of assays as necessary.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	**Drilling** RC Drillhole collar positions were surveyed before using GPS and after drilling using a Trimble RTK system, comprising an R10-2 Base and Receiver and a Trimble TSC3 Data Collector. The Base was set up on KB01 located on "Laterite Hill", which was adopted as control for the surveys. All surveys were checked against and closed off on KB01DRM to ensure accuracy. Drillhole location data was initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work. Down hole surveys were undertaken on 30m increments from end of hole, using a Reflex down hole gyroscopic tool. 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. 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.
Data spacing	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to*	RC Samples were collected and analysed for each metre down the hole.

and distribution	*establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	RC hole spacing was 80m N x 40m E, sufficient for resource estimation. AC samples were collected and analysed for gold and multielement by 4m field composites down the hole, with the EOH individual metre sampled separately for multi element analysis. Hole spacing was 200m x 400m for AC.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**Drilling** Drill lines are oriented across strike on a MGA grid. Bibra orebody dips at 20 to 30 degrees to the North West. Holes in the drill programs have been drilled at inclination of -60 degrees or -90 degrees. The orientation of the drilling is suitable for the mineralisation style and orientation of the target Bibra mineralisation. 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.
Sample security	• *The measures taken to ensure sample security.*	**Drilling** 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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	The Competent Person for Exploration Results reported here has visited the project areas where sampling has taken place and has reviewed and confirmed the sampling procedures.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Karlawinda Project is located in 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. The near mine exploration drilling was undertaken on M52/1070, which is within the area of granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. South32 (via the spin-out from BHPB) retained 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. No other known impediments exist in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Prior to Capricorn Metals, the tenement was held by Independence Group NL (IGO) who undertook exploration between 2008 & 2014. Prior to Independence Group, WMC (BHP) explored the area from 2004 to 2008

Geology	• *Deposit type, geological setting and style of mineralisation.*	Bibra is part of a large-scale Archaean aged gold mineralized system. The resource is hosted within a package of deformed meta-sediments which has developed on at least two parallel, shallow dipping structures; Laterite oxide mineralization has developed over the structures close to surface. The primary mineralization is strata-bound with lineations identified as controlling higher-grade shoots. The deposit is oxidized to average depths of 50-70m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Please See Table 1 for Results
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	**Drilling** Reported intercepts include a minimum of 0.5g/t Au value over a minimum length of 1m with a maximum 2m length of consecutive internal waste. No upper cuts have been applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	**Drilling** At Karlawinda, the geometry of the mineralisation has already been defined from previous drilling programs. The intersection angle between drill angle and the perpendicular angle to the ore zone is less than 10 degrees.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	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).* • *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 near mine RC drilling is to be completed on reviews of final assay receival from current drill programmes

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	31 December 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	73,930	125,703
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	(7,209)	(22,954)
	(c) production	(32,057)	(59,491)
	(d) staff costs	(914)	(1,695)
	(e) administration and corporate costs	(1,087)	(1,695)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	5
1.5	Interest and other costs of finance paid	(768)	(1,754)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	10	19
1.9	**Net cash from / (used in) operating activities**	**31,908**	**38,138**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	(591)	(15,144)
	(b) tenements	-	(11,600)
	(c) property, plant and equipment	(1,429)	(1,436)
	(d) exploration & evaluation (if capitalised)	(2,637)	(3,246)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(4,657)**	**(31,426)**

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
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	20,000
3.6	Repayment of borrowings	(10,000)	(15,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(302)	(587)
3.10	**Net cash from / (used in) financing activities**	**(10,302)**	**10,413**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	10,488	10,312
4.2	Net cash from / (used in) operating activities (item 1.9 above)	31,908	38,138
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,657)	(31,426)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10,302)	10,413

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**27,437**	**27,437**

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	27,437	10,488
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)**	**27,437**	**10,488**

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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *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	75,000	75,000
7.2	Credit standby arrangements	-	-
7.3	Other (Bank Guarantee)	20,000	18,000
7.4	**Total financing facilities**	95,000	93,000

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 $75 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)	31,908
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(2,637)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	29,271
8.4	Cash and cash equivalents at quarter end (Item 4.6)	27,437
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)	29,437
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: 18 January 2022

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.