

NI 43-101 Technical Report

Karlawinda Gold Project, Western Australia, Australia

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Report Prepared for



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1 Summary

This report was prepared as a Canadian National Instrument 43-101 (NI 43-101) Technical Report (“Technical Report”) for Elemental Royalties Corp. (“Elemental” or the “Company”) by Kangari Consulting Limited (“KCL”) on the Karlawinda Gold Project in Western Australia, which is wholly owned by Capricorn Metals Ltd (“Capricorn”) of Australia (Level 1, 28 Ord Street, West Perth, WA, 6005, Australia). Elemental is a British Columbia registered and domiciled royalty company based in Vancouver.

KCL has been informed that this technical report is required as a result of Section 4.2(1) of NI 43-101.

Pursuant to a royalty sale agreement dated 23 November 2020 between the Company and South32 Royalty Investments Pty Ltd (“South32”), the Company has agreed to acquire a royalty interest over part of the Karlawinda Gold Project. KCL understands that the Company has no other ownership or equity interest in the Karlawinda Gold Project.

The project is owned and operated by Capricorn and KCL understands that the Company has requested, but has not been granted, access to exploration and operating data from Capricorn. Exploration and mining companies are not required to, and as a matter of practice do not normally, disclose detailed information to companies which hold a royalty interest in their operation. The royalty holder, therefore, is limited in the amount of information and details it can disclose to which is available in the public domain. This Technical Report, therefore, relies exclusively upon information available in the public domain as described in Section 2 of this Technical Report.

This Technical report has been prepared based on the exemption available under Section 9.2 (Exemption for Royalty or Similar Interests) of NI43-101, which provides that, where such access has not been granted to the royalty holder, the royalty holder is not required to perform current inspection of the project site, nor is it required to complete those items under Form 43-101F1 that requires data verification, inspection of documents, or personal inspection of the property. Studies and additional references for this Technical Report are listed in Section 27 of this Technical Report. KCL has reviewed the available project data as sourced from the public domain and incorporated the results thereof, with appropriate comments and adjustments as needed, in the preparation of this Technical Report.

KCL did not conduct a site visit nor did it review the following items as prescribed by NI 43-101, because the royalty holder does not have access to this data:

- Geological investigations, reconciliation studies, independent check assaying and independent audits; and

- Estimates and classifications of mineral resources and mineral reserves, including the methodologies applied by the mining company in determining such estimates and classifications, such as check calculations.
- Also, KCL, did not independently sample and assay portions of the deposit because this information is not available to the Company.

1.1 Royalty Interest

Prior to the sale, South32 held a 2% Net Smelter Royalty (“NSR”) over part of the Karlawinda Gold Project. Pursuant to the terms of the royalty sale agreement dated November 23, 2020 between Elemental and South32, Elemental agreed to acquire the Karlawinda Gold Project Royalty (“the KGP Royalty”) along with royalties over two other properties not subject to this technical report.

Elemental entered into an agreement to purchase the royalties of the Karlawinda Gold Project from South32 on the 23rd November 2020.

Elemental will purchase all three royalties for total consideration of US\$55,000,000 (“Total Cash Equivalent Value”), in the following forms of consideration:

- US\$40,000,000 in cash, and;
- US\$15,000,000 in equity (13,065,100 common shares) in Elemental Royalties Corp (TSX.V: ELE)

It is expected that closing of the acquisition will occur on or before February 28, 2021. The deal is subject to certain conditions including approval of the TSX Venture Exchange (“TSX-V”), Australian Foreign Investment Review Board approval and closing of a parallel private placement offering.

1.2 Property Description and Location

The Karlawinda Gold Project (including the Bibra and Francopan projects) are located in the Newman Region of Western Australia, approximately 65km south east of the township of Newman. The property is approximately 1,000 kilometres by road from Perth, the State capital.

The Karlawinda Gold Project is centred on, and the Royalty covers, Exploration License E52/1711 and Mining License M52/1070 which are wholly owned by Greenmount Resources Pty Ltd. (“Greenmount”), which is a wholly owned subsidiary of Capricorn Metals Ltd. The mining license covers 2,979.5 hectares and the exploration license covers 33 blocks (approximately 8,000 hectares, net of the ML).

1.3 History of Previous Work

The Karlawinda Gold Project has been wholly owned by Capricorn Metals Ltd. since 2016. Prior to 2016, the licenses were held by Independence Group ("IGO") and BHP Billiton (formally as Western Mining Corporation).

Between 2004 and 2008, the original work and discovery of mineralisation was completed on the licenses by Western Mining Corporation, the author is aware that some drilling was completed at that time, as it has been quoted by IGO, there is reference in 2008 of 8 drillholes over the Francopan Project with anomalous gold mineralization over an area of 600m x 400m. However, this information does not appear to be available in the public domain.

In 2008, IGO purchased the property and subsequently drilled at least 22,512m of RC drilling and 3,158.6m of diamond drilling. Limited public domain data exists for the time in which IGO operated the property due to reduced materiality of the project to IGO at the time.

In 2012, IGO announced a JORC complaint Mineral Resource Estimate for the Bibra Prospect, which totalled 18.5 million tonnes @ 1.1g/t Au for a total of 674,000 ounces of gold; this was revised for June 2013 to 18.0 million tonnes @ 1.1g/t Au for a total of 650,000 ounces of gold after further drilling leading to the refinement of some assumptions.

Note, for the project all Mineral Resource Estimates and Ore Reserves have been completed to JORC 2012 calculation and reporting standards.

In October 2015, Capricorn Metals Ltd. announced their intention to acquire 100% of the Karlawinda Project which was completed in February 2016.

In June 2016, Capricorn announced an increased Open Pit Inferred Resource on the property based on initial drilling by IGO and 8,000m of additional RC drilling. The Mineral Resource totalled 25.5 million tonnes @ 1.1g/t Au for 914,000 ounces of gold.

In April 2017, Capricorn announced a JORC 2012 Mineral Resource: 31.1Mt @ 1.1g/t Au for 1.114MOz of gold, followed by a maiden JORC 2012 Ore Reserve of 21 million tonnes @ 1.06g/t Au containing 713,000 ounces of gold. This resulted in the announcement of an initial feasibility study in October 2017. The feasibility study initially outlined a planned for a mine life of 6.5 years.

In October 2017, Capricorn announced an initial Feasibility Study resulting in a calculated Ore Reserve

Throughout 2017 the company drilled a further 13,460m of RC drilling to further update the Mineral Resource Estimation to 38.3 million tonnes @ 1.1g/t Au for 1,326,000 ounces of gold. Included in this Resource was a reported 8.3 million tonnes @ 1.25g/t Au for 334,300 ounces of Measured material.

In Q1 of 2018, Capricorn drilled an additional 118 RC holes totalling 13,814m. Entech Pty Ltd. incorporated this data to increase the Mineral Resource to 51 million tonnes @ 0.9g/t Au for 1.5 million ounces of gold and an increase in the Mineral Reserve to 27.5 million tonnes @ 1.0g/t Au for 892,000 ounces of gold.

Additional drilling in 2019 and 2020, particularly down dip and along strike of the main ore body resulted in a new JORC 2012 compliant Mineral Resource Estimate and Ore Reserve announced on April 17, 2020 that is the basis of the current mine development. This Mineral Resource Estimate is 86.7 million tonnes at 0.77g/t Au for 2,145,000 ounces of gold, and the Ore Reserve was updated to 43.5 million tonnes at 0.9g/t Au for 1,201,000 ounces of gold. With this new Ore Reserve Capricorn was able to refine the feasibility study and increase the life of mine to 12 years.

In addition, planned production was increased to 105,000-120,000 ounces per year based on the planned 3.5 to 4Mtpa plant, this was nominally replaced in July 2020 to a 4 to 5Mtpa plant.

In November 2020, Capricorn announced that they had, to date, completed 45,000m of grade control drilling covering most of the laterite at the Bibra deposit and to date the results received correlate with the ore reserve model.

Construction of the mine is on-going, having commenced in 2020, with commissioning expected in 2021.

1.4 Recommendations

Based on the expertise of KCL, it is recommended that Elemental continue to request all current information related to the Karlawinda Gold Project from Capricorn Metals Ltd. for an independent geological evaluation of the property.

KCL is unaware of any other significant factors and risks that may affect access, title, or the right or ability to continued work recommended for the Karlawinda Gold Project.

As Elemental are solely a royalty holder there are no recommendations for further exploration work to be completed by Elemental on the property.

2 Introduction and Terms of Reference

2.1 Scope of Work

This report was prepared as an NI 43-101 Technical Report for Elemental by KCL on the Karlawinda Gold Project in WA, Australia.

KCL has been informed by the Company that this Technical Report is required as a result of Section 4.2(1) of NI 43-101.

This Technical Report has been prepared for the Company, which will/has become the holder of a royalty interest (not direct ownership) on part of Capricorn's Karlawinda Gold Project. In accordance with the guidelines provided in NI 43-101, mining companies are not required to, and as a matter of practice do not normally, disclose detailed information to companies which hold a royalty interest in their operations. The royalty holder, therefore, is limited in the amount of information and details it can disclose to that which is available in the public domain.

As a result, this Technical Report relies exclusively upon information available in the public domain. Studies and additional references for this Technical Report are listed in Section 27 of this Technical Report.

KCL has reviewed the available project data as sourced from the public domain and incorporated the results thereof, with appropriate comments and adjustments as needed, in the preparation of this Technical Report.

The primary sources of information for this Technical Report are the following:

- IGO Public news release 21 January 2008 – IGO Acquires the Karlawinda Gold Project
- IGO news release 25 Oct 2013: Mineral Resource Estimate table
- Capricorn Public news release 4 July 2016 – Resource update – Karlawinda Gold Project
- Capricorn Public news release 10 April 2017 – Resource update – Karlawinda Gold Project
- Capricorn Public news release 19 June 2017 – Metallurgical Results – Karlawinda Gold Project
- Capricorn Public news release 6 August 2017 – Maiden Ore Reserve – Karlawinda Gold Project
- Capricorn Public news release 23 October 2017 – Feasibility Study – Karlawinda Gold Project
- Capricorn Public news release 29 May 2018 – Reserve Update – Karlawinda Gold Project
- Capricorn Public news release 19 June 2018 – Optimization Study – Karlawinda Gold Project

- Capricorn Public news release 27 July 2020 – Upscale of Plant Design – Karlawinda Gold Project
- Capricorn Mining Proposal M52/1070 10 November 2020
- Elemental Royalties Public news release 23 November 2020 – Acquisition of Royalties from South32 Limited

The reader is therefore cautioned that all information presented in this Technical Report are of a historical nature only, and that for the purpose of this report, in the absence of current operational/company data, all resources, including tonnages and grades are not-considered current.

The quality of information, conclusions, and estimated contained herein is consistent with the level of effort involved in KCL's services, based on i) information available at the of preparation which is exclusively operator public reports, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Elemental subject to the terms and conditions of its contract with KCL and relevant securities legislation.

The contract permits Elemental to file this report as a Technical Report with Canadian securities regulatory authority pursuant to NI 43-101, Standards of Disclosure for Mineral Projects. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Elemental. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

2.2 Qualifications of Kangari Consulting Limited and KCL Team

The Consultant preparing this Technical Report is a specialist in the fields of Geology, Exploration, Mineral Resource and Mineral Reserve estimation.

The Consultant nor any associates employed in the preparation of this report has any beneficial interest in Elemental the Consultant is not an insider, associate, or affiliate of Elemental. The results of this Technical Report are not dependent upon any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings between Elemental and the Consultant. The Consultant is being paid a fee for their work in accordance with normal professional consulting practice.

The following individual, by virtue of their education, experience, and professional association, are considered a Qualified Person (QP) as defined in the NI 43-101 standard, for this report, and is a member in good standing of appropriate professional institutions. The QP certificate of author is provided at the end of this document. The QP is responsible for all sections of this Technical Report.

- Timothy J. Strong, MIMMM, QP

2.3 Site Visit

KCL personnel did not visit the property as per the exemption under Section 9.2 (Exemption for Royalty or Similar Interests) of NI 43-101.

2.4 Units and Currency

All currency in this report are quoted as United States Dollars (USD) \$ (unless specified in the text).

Gold values are presented in grams per ton ("g/t").

2.4.1 Glossary of Terms

Table 2-1 Glossary of Terms

Abbreviation	Meaning
<i>Metals</i>	
Ag	Silver
Au	Gold
<i>Measurements</i>	
g	grams
g/cm ³	Grams per centimetre cubed
g/t	grams per tonne
m	metres
km	kilometres
ppm	parts per million
oz	ounces
lb	pounds (weight)
ppb	parts per billion
t	tonnes
%	percent
Abbreviation	Meaning
<i>Companies</i>	
Elemental	Elemental Royalties Corp.
Capricorn	Capricorn Metals Ltd.
KCL	Kangari Consulting Limited
South32	South32 Royalty Investments Pty Ltd.

<i>Currency</i>	
\$ or US\$ or USD	United States Dollar
\$A or AUD\$	Australian Dollar
\$C	Canadian Dollar
<i>Misc.</i>	
QP	Qualified Person
ASX	Australian Stock Exchange
TSX	Toronto Stock Exchange
TSX.V	Toronto Venture Exchange

3 Reliance on Other Experts

This Technical Report is based solely on information obtained from the public domain without recourse to independent verification or validation or access to the Karlawinda Gold Project or management of Capricorn Metals Ltd. ("Capricorn"), the owner of the property.

Accordingly, it has not been possible for KCL to fully comply with the declaration and reliance requirements normally considered appropriate in respect of a technical report produced in the absence of such constraints.

KCL has been informed, and seen evidence, that the Company has sought access to the Karlawinda Gold Project, the records of Capricorn and such other information which may not be sourced in the public domain.

Such access has been denied by Capricorn. Accordingly, this Technical Report has been prepared based on the exemption available under Section 9.2 (Exemption for Royalty or Similar Interests) of NI 43-101, which provides that, where such access has not been granted to a royalty holder, the royalty holder is not required to perform current inspection of the project site, nor is it required to complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property.

Specifically, Section 9.2 exempts a royalty holder, who has requested but not received access to the necessary data and is not able to obtain the information from the public domain, from the requirement to complete those items under Form 43-101F1 that require data verification or inspection of documents or materials.

As such, KCL notes the following specific limitations with respect to compliance with requirements and guidelines as included in NI 43-101, Form 43-101F1 and the Companion Policy, where KCL:

- Was not able to undertake any site visits as required by Section 6.2 (Current Personal Inspection) of NI 43-101;
- Was not able to verify and validate any underlying supporting technical information used to derive the resource and reserve statements reported in the public domain, as such items would require data verification and/or inspection of documents and/or personal inspection of the property to complete;
- The mineral resource estimates and mineral reserve estimates described in the following document are reported according to JORC guidelines and do not comply with NI 43-101 reporting requirements and associated CIM definition standards. The authors caution that a qualified person has not done sufficient work to validate the historical estimates, and KLC is not treating the historical estimates as current mineral resources or reserves. KCL has not completed a detailed review of the historical resource or completed a new resource estimate in this NI 43-101 technical report.

While relying on public domain information as reported by others, KCL has been unable to obtain detailed technical information relating to the following requirements in Form 43-101F1:

- Item 6 (d), Item 9, Item 10, Item 11, Item 12, Item 13, Item 14, Item 15, Item 16, Item 17, Item 18, Item 19, Item 20, Item 21, Item 22 and Item 24.

Accordingly, in compiling this Technical Report, KCL has not explicitly relied on other named experts in respect of technical information, all of which has been sourced from the public domain.

4 Property Description and Location

4.1 Location

The Karlawinda Gold Project is located in the Pilbara Region of Western Australia, approximately 65km south-east of town of Newman. The property is approximately 1,000 kilometres by road from the city of Perth, the State capital.

The Karlawinda Gold Project includes a number of Mineral Resources now all contained within the Bibra Open Pit Complex (“Bibra”) and the Francopan Prospect (“Francopan”) which are subject to the royalty transaction and are located within Mining Licence M52/1070 and Exploration Licence E52/1711 which are both wholly owned by Greenmount Resources Pty Ltd. (“Greenmount”), a wholly-owned subsidiary of Capricorn. The mining license covers 2,979.5 hectares is wholly within the exploration license covers 33 blocks (an additional approximately 8,000 hectares).

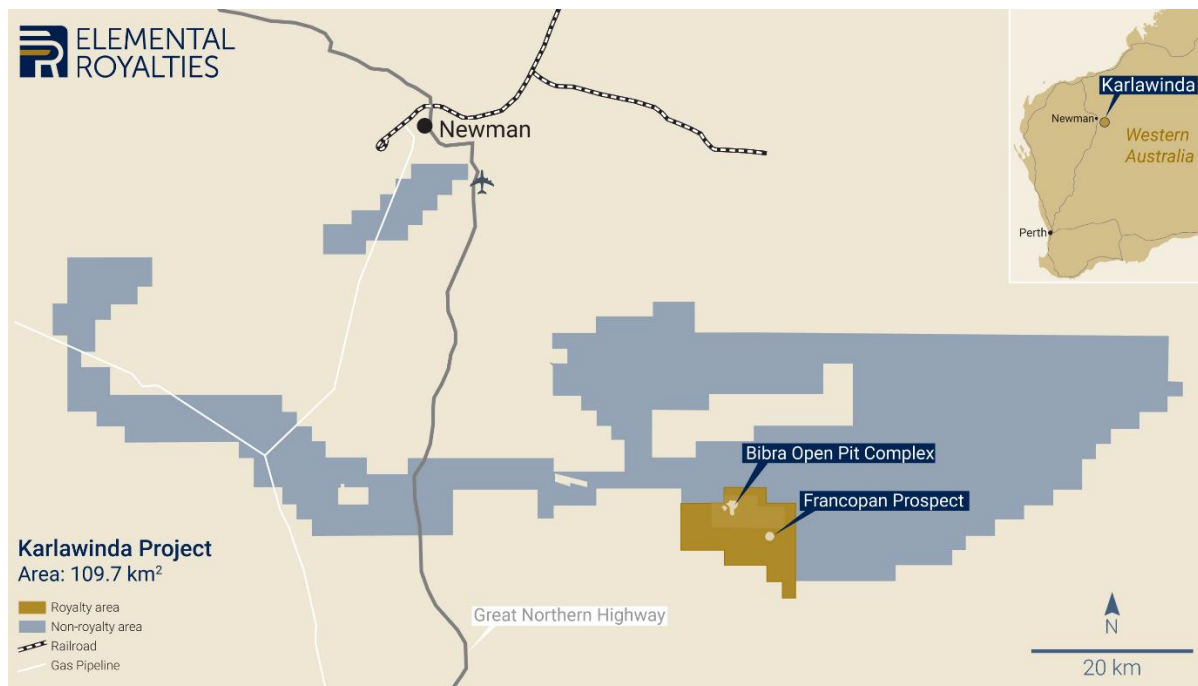


Figure 4-1 Location of the Karlawinda Project Area (Source: Elemental Royalties 2020)

4.2 Mineral Tenure

The legislative framework for exploration development and mining tenure is administered by the State of Western Australia through the Mining Act, 1978 by the Department of Mines & Petroleum.

An Exploration Licence (“EL”) is granted under the act for exclusive rights to explore for specific minerals within a designated area but does not permit mining, nor does it

guarantee a mining or production lease will be granted. EL's are subject to a 5-year term, renewable unlimited times with Department of Mines & Petroleum approval and are also subject to expenditure requirements.

A Mining Licence ("ML") is granted for an initial 21-year term, which can be renewed for an additional 21-year term should certain requirements be met. To obtain a ML companies are required to provide a mining plan, closure plan and payment.

The land is freehold, as is the land directly surrounding the Karlawinda Project.

The Karlawinda Gold Project royalty comprises of one Exploration License; E52/1711, and one Mining License; M52/1070, both held by Greenmount Resources Pty Ltd. and the project is listed as being in good standing. M52/1070 is valid until 21 November, 2037 and E52/1711 is valid until 3 August, 2021.

4.3 Underlying Agreements

Elemental entered into an agreement to purchase the royalties of the Karlawinda Gold Project from South32 on 23rd November 2020.

Prior to the sale agreement noted below, South32 held a 2% Net Smelter Royalty ("NSR") over the Karlawinda Gold Project. Pursuant to the terms of the royalty sale agreement dated November 23, 2020 between Elemental and South32, Elemental agreed to acquire the Karlawinda Gold Project royalty, covering E52/1711 and M52/1070 as detailed in figure 4-2.

Elemental intends to purchase the Royalty as part of a royalty package from South32 for total cash consideration of \$40,000,000 and the issuance to South32 of 13,065,100 common shares in Elemental (representing 19.7% of the company).

It is expected that the acquisition will be completed on or before 28 February 2021 and is subject to the approval of the TSX Venture Exchange ("TSX-V"), Australian Foreign Investment Board approval and closing of a concurrent private placement offering.

To the best of the authors knowledge there are no further royalties, buy back agreements, payments, or other underlying agreements on the property.

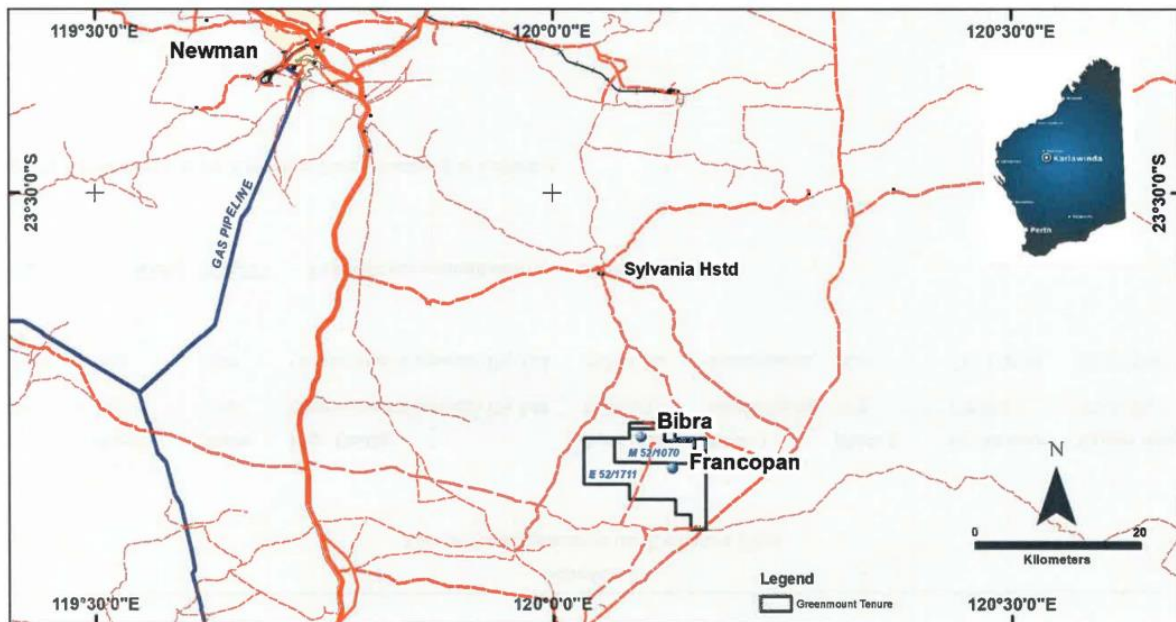


Figure 4-1 Karlawinda Royalty Tenements (E52/1711 & M52/1070)

4.4 Environmental Considerations

The Department of Environment and Heritage Protection issues an Environmental Authority (EA) to operate. It is not currently known if there is any current environmental liability.

In August 2020, Capricorn conducted in-depth Environmental Assessment (“EIS”) as part of its revised Mining proposal. This EIS showed minimal impacts on surface water and groundwater; substantial local employment in an area of high unemployment; air and health parameters showed no exceedances and are negligible through planned life of mine. This Mining proposal was accepted by the Government of WA on 16 November 2020.

Aboriginal Cultural Heritage studies are on-going within the exploration area. The Niyiparli group are the Native Title claimants covering an area including M52/1070. There are no known heritage or environmental impediments over the mining lease.

5 Accessibility, Climate, Local Resources, Infrastructure, and Physiography

5.1 Accessibility

The Karlawinda Gold Project can be reached via access dirt roads (Coobine Road) from the main Great Northern Highway, which in turn is connected by asphalt road to Newman (22km) and Perth (approx. 1,000km). Prior to the COVID-19 pandemic there were 6-daily scheduled flights to Newman from Perth.

There are several river/creek crossings that could become impassable for relatively short periods of time during the peak wet season, however there is sufficient infrastructure in place to mitigate these issues. Current construction mitigates this risk.

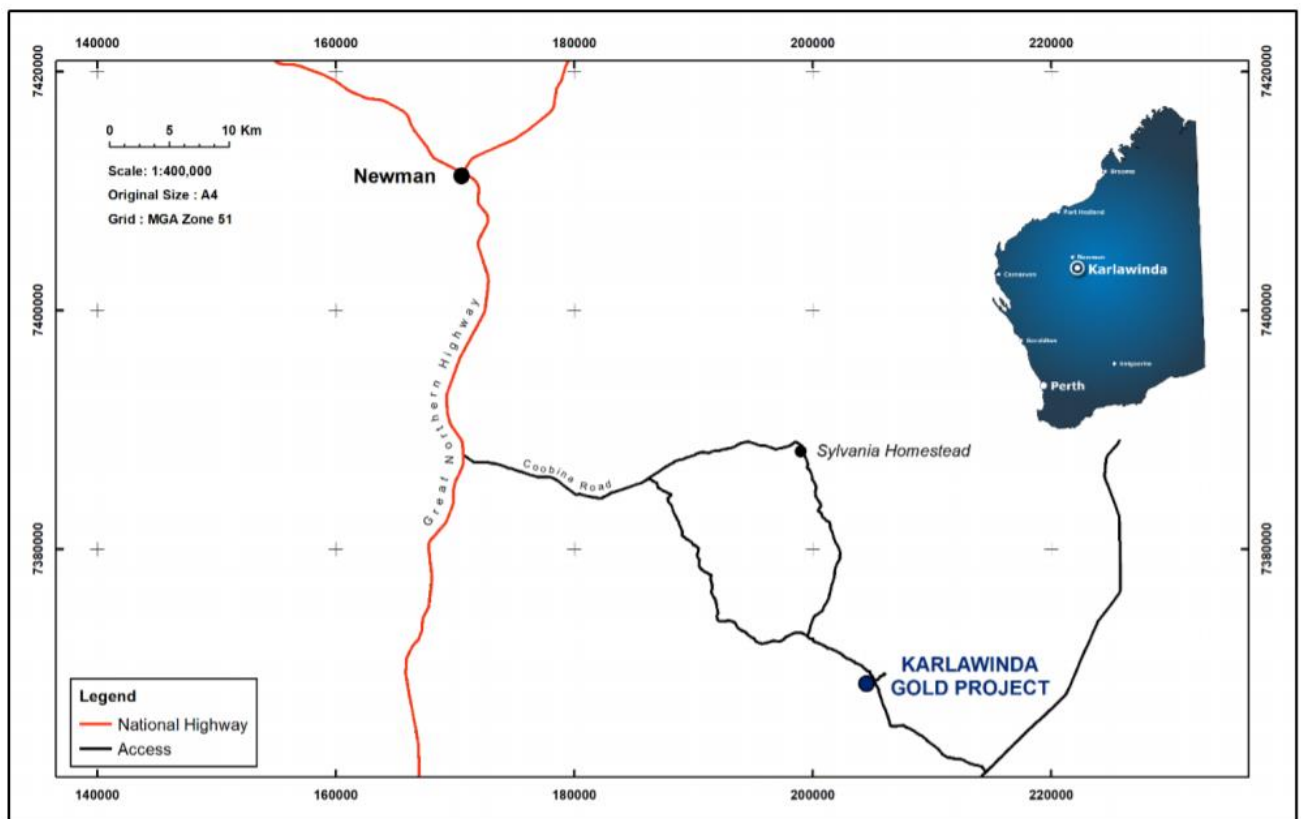


Figure 5-1 Karlawinda Gold Project Regional Location and Access (from Capricorn 2020)

5.2 Local Resources

There are water resources available in the area. The project is located within the Lake Disappointment catchment area. Stream flows and water availability have been described as highly variable due to the arid nature of the environment. With this in mind Capricorn has developed, pump tested and modelling of the potential yield from the Karlawinda bore field indicate that there is sufficient groundwater to service the needs of the Project for the life-of-mine. This will require the development of 15 water production bores, of which five have already been developed, and 20km of pipelines (Capricorn 2020).

The Project is 55km from the town of Newman which has a population of 4,567 (Australian Bureau of Statistics 2016). Newman has limited infrastructure but is a centre for the local mining industry and well prepared to support fly-in fly-out operations.

5.3 Climate

The Project area has a highly variable climate. Mean maximum temperatures range from 39°C in January to 22°C in July. Mean minimum temperatures range from 24°C in January to 6°C in July.

The projects mean annual rainfall of 256mm is skewed towards the cyclone season from December to February.

Table 5-1 Average Precipitation at the Project Site

Average Precipitation													
	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
mm	256.54	25.4	48.26	50.8	20.32	15.24	22.86	2.54	7.62	7.62	12.7	12.7	30.48

5.4 Physiography and Vegetation

The Project area was surveyed as part of a 181,723km² land survey by the WA Department of Agriculture and WA Department of Land Information. This survey identified a total of more than a hundred different land systems, five of which are present at Karlawinda.

Systems identified at Karlawinda include:

- Jamindie System – Stony hardpan plains and rises supporting grooved mulga shrublands, occasionally with spinifex understorey.
- Cadgie System – Hardpan plains with thin sand cover and sandy banks supporting mulga shrublands with soft and hard spinifex.
- Washplain System – Hardpan plains supporting grooved mulga shrublands.
- Egerton System – Mostly dissected slopes, with some hardpan plain and drainage floor.

- Nooingin System – Hardpan plains with very large, dense mulga groves, sandy banks and plains supporting concentrated sheet flow.

Principal land uses in the area are ranching of cattle. Rural residential and hobby farm properties are also present in the region.



Plate 5-1 View of Approach road to Karlawinda showing Physiography and Vegetation
(Source: Capricorn 2020)

5.5 Infrastructure

There is currently no mains power infrastructure on site. As per the Definitive Feasibility Study (“DFS”) published by Capricorn in 2017, there is a plan to commission an LPG powered on-site gas power station. A new 33km road will also be commissioned to connect the mining area to the Great Northern Highway.

There is currently a domestic commercial airstrip at Newman and as such the company can utilise this facility.

Water supply is scarce, and the mines water use will be supplied using company drilled water boreholes.

Mining is well established in the region and there is a ready source of trained and informal employees.

Capricorn has submitted sufficient plans for mine infrastructure including locations for tailings storage, waste management, heap leach pads, and areas designated for the location of a processing plant.

6 History

6.1 Prior Ownership

The Karlawinda Gold Project (Francopan discovery) was first discovered in 2005 by WMC Resources Ltd.

In 2008 the project was acquired by Independence Group (IGO) who subsequently discovered the Bibra Gold Deposit in 2009.

In 2016 the project was acquired by Capricorn who now hold 100% of the property, who have subsequently drilled out Bibra and associated orebodies to define the current Mineral Resource Estimate. All work since 2016 has been completed by Capricorn.

6.2 Historical Exploration

The mineral resource estimates and mineral reserve estimates described in the following paragraphs are reported according to JORC 2012 guidelines and do not comply with NI 43-101 reporting requirements and associated CIM definition standards. The authors caution that a qualified person has not done sufficient work to validate the historical estimates, and KCL is not treating the historical estimates as current mineral resources or reserves. KCL has not completed a detailed review of the historical resource or completed a new resource estimate in this NI 43-101 technical reports. The author does however believe that the JORC 2012 resources and reserves reported in this technical report have been completed to a competent JORC 2012 standard.

6.2.1 Western Mining Corporation (BHP Billiton) - 2004 to 2008

Western Mining Corporation Resource Ltd (“WMC”) discovered Archaean greenstone lode gold mineralisation on the property at what is now known as the Francopan prospect, whilst initially searching for nickel mineralisation. In 2005 WMC became part of the BHP Billiton group.

Due to transactions on the property, and immateriality to WMC, there is no publicly disclosed information dating pre-2008.

Table 6-1 WMC Drilling Intercepts (Source: IGO 2008)

Hole ID	Easting	Northing	Depth (m)	Azimuth	Dip	Intercept (m)	Width (m)	Au (g/t)
KBD01	207700	7365150	242.6	360	-90	179 - 216	37	1.9
						inc 182 - 183	1	14.2
						inc 195 - 202	7	4.6
KBD02	207700	7364800	252.5	360	-90	237 - 247	10	0.8
KBD09	207600	7365035	291.5	360	-70	196 - 215	19	0.5
						226 - 258	32	1.0
						inc 231 - 237	6	4.5
KBD12	207400	7365170	297.5	180	-70	256 - 296	40	0.5
KBD14	207700	7365370	297.5	180	-70	178 - 189	11	0.2
						236 - 269	33	1.3
						inc 254 - 258	4	2.6
KBD15	207500	7365370	261.5	180	-70	184 - 260	76	0.4
						inc 234 - 245	11	1.3
KBD17	207600	7364835	342.5	360	-70	262 - 332	70	0.4
						inc 289 - 295	6	1.7
KBD18	207700	7365290	351.5	360	-70	176 - 182	6	0.3

6.2.2 Independence Group (IGO) - 2008 to 2016

Independence Group ("IGO") announced the purchased of the Karlawinda Gold Project from BHP Billiton ("BHP") in January 2008 with BHP retaining a 2% NSR on the property.

IGO purchased the property based on a 400m x 600m anomalous gold zone as tested by WMC in the drill holes listed in table 6-1.

Limited information on the work completed by IGO prior to 2012 is available in the public domain, however it can be noted that IGO performed the following:

- 2009-2010 several RC holes and three diamond holes with RC pre-collars. Two diamond holes drilled with PQ3 for metallurgical testing.
- 2011 – 78 RC drillholes of 14,103m and 11 diamond holes
- 2012 – 60 RC drillholes for 8,409m and RC pre-collars for 534.8m. Diamond drilling for 3,158.6m.

In June 2012 IGO announced a JORC 2012 compliant Mineral Resource Estimate for the Bibra project at Karlawinda. The Inferred Resource contained 18.5Mt @ 1.1g/t Au for 674,300 ounces of gold using a 0.5g/t cut-off. IGO also note in a press release on June 28, 2012, that the maiden resource at Bibra contained 219,900 ounces, however further evidence of this is not available in the public domain.

Table 6-2 IGO Mineral Resource Statement 2012 (Source: IGO 2012)

Mineralisation Type	Tonnes (Mt)	Au Grade (g/t)	Contained Oz (Cut)
Laterite	2.2	1.1	77,100
Upper Saprolite	0.9	1.1	31,000
Lower Saprolite	1.9	1.1	63,600
Transitional	2.1	1.0	68,200
Sub-total	7.1	1.1	239,900
Fresh	11.4	1.1	434,400
Total Inferred	18.5	1.1	674,300

Further refining the mineral resource, IGO released in June 2013 and updated mineral resource of 18.0 million tonnes @ 1.1g/t Au for a total of 650,000 ounces of gold after further definition of parameters.

It is quoted that IGO spent over A\$12,000,000 on the project prior to 2016. However, it is noted that this cannot be verified by the author.

6.2.3 Capricorn Metals Ltd - 2016 to Present

On October 26, 2015 Capricorn Metals (then named Malagasy Minerals Limited) entered into a heads of agreement with Greenmount Resources Pty Ltd. to acquire the Karlawinda Gold Project. This transaction was completed in February 2016.

In March 2016, Capricorn commissioned an 8,000-metre reverse circulation ("RC") drilling campaign, primarily to test the down dip extensions of the Bibra deposit.

This RC drilling completed in 11 holes, on a 50 metre by 50-metre grid, was sampled with 1m splits and analysed with 50g fire assay. Results from this program confirmed grade and intercepts from the previous drilling completed by IGO with results including 12 metres @ 1.00g/t Au in hole KBRC 284 and 19 metres @ 137g/t Au in hole KBRC 290.

In July 2016 Capricorn used the newest drilling to complete an updated JORC compliant Mineral Resource Estimate for the Bibra gold deposit. This new estimate resulted in a new resource of 25.5 million tonnes @ 1.1g/t Au for 914,000 ounces of gold. In total 43 diamond holes (5,373m) and 313 RC drillholes (52,202m) for a total of 66,000 samples were used to create the Inferred Resource estimate.

Table 6-3 Bibra Gold JORC Open Pit Inferred Resource Estimate (June 30, 2016) (Source: Capricorn Metals 2016)

TABLE (1): Bibra Gold JORC Open Pit Inferred Resource Estimate (as at June 30, 2016)			
Domain	Tonnes	Grade (g/t Au)	Ounces
Laterite	2,100,000	1.3	85,000
Saprolite	4,300,000	1.0	142,000
Transition	1,500,000	1.2	58,000
Fresh	17,600,000	1.1	629,000
Total	25,500,000	1.1	914,000

The mineral resource estimate was completed within high grade wireframe domains (>1.0g/t Au in supergene and >1.5g/t Au in the main lodes). Block sizes and variography was determined using Snowden's Visor software and blocks used were 25m (y) x 10m (x) x 5m (x) with sub blocking allowed.

Surpac was used to complete estimating using Ordinary Kriging ("OK"). The maximum number of samples used for grade interpolation was 36 with a minimum of six for the first pass, reducing to a minimum of 3 samples for the second pass and one sample for the third pass. For the minimum number of drill holes for each block to estimate, the parameters were set to a minimum of four for the first pass, minimum of two for the second pass and minimum of one for the third pass.

It was noted that this estimate compares favourably in comparison to IGO's 2013 Inferred Resource. Grades are similar and some small local variation has occurred in tons due to refinements in the wireframes based on in the new drilling. In June 2016 Capricorn announced a 60,000m in-fill program and the commencement of a Definitive Feasibility Study ("DFS"). Results from this drill program remain consistent and include 7m @ 1.43g/t Au in hole KBRC458 and 12m @ 1.10g/t Au in KBRC502.

In October of 2017, Capricorn released the results of a Feasibility Study on the Karlawinda Project containing Ore Reserves of 21 million tonnes @ 1.06g/t Au containing 713,000 ounces of gold.

The feasibility study estimated a mine life of 6.5 years utilizing an open pit mine and 3.0Mta Cyanide in Leach ("CIL") plant. The project life of mine production is estimated at 100,000 ounces of gold per year with an all-in sustaining cost ("AISC") of \$1,025/ounce (Australian Dollars).

Based on the 2017 Feasibility Study, the project is expected to generate an undiscounted pre-tax operating surplus of AUD\$413 million from a total revenue of AUD\$1,091 million and a pre-tax NPV of AUD\$255 million and an IRR of 31%.

Table 6-4 Ore Reserve Estimate (Source: Capricorn DFS 2017)

TABLE 1: BIBRA DEPOSIT JORC OPEN PIT ORE RESERVE ESTIMATE
 (\$1500/ounce assumption)

DATE	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)
July 2017	-	-	-	21	1.06	0.713	21	1.06	0.713

Notes:

- Ore Reserves are a subset of Mineral Resources
- Ore Reserves conform with and use the JORC 2012 Code definitions
- Ore Reserves are calculated using a gold price of A\$1500/ounce
- Ore Reserves are calculated using a cut-off grade between 0.40g/t and 0.47g/t Au
- Mining dilution methods applied result in a reduction of 13% of reportable Au ounces
- All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation

¹ Capricorn report that it is not aware of any new information or data that materially affects the information included in the Ore Reserve announcement dated 7th August 2017 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Table 6-5 Karlawinda Feasibility Results (Source: Capricorn DFS 2017)

Karlawinda Gold Project Total Mineral Resources			
Indicated	28.9Mt	1.10 g/t	1.03 Moz
Inferred	2.4Mt	1.06 g/t	0.084Moz
Total Resources	31.3Mt	1.10 g/t	1.114Moz
Bibra Ore Reserves			
Probable Reserve	21.0Mt	1.06 g/t	0.713Moz
Processing Plant & Infrastructure Capital Costs ²			
3.0 Mtpa Process Plant	A\$M		90.7
Plant Infrastructure	A\$M		8.7
Other Infrastructure	A\$M		20.5
Owners Costs	A\$M		13.4
Contingency	A\$M		13.1
Total	A\$M		146.3³
Capital Cost / LOM Gold Production	\$A/oz		221
Capital Cost / Pre-Tax NPV			1.02
LOM Sustaining Capital Costs ⁴	A\$M		22.8
Production Summary			
Life of Mine (LOM)	Years		6.5
LOM Strip Ratio	Waste:Ore		4.7:1
LOM Gold Production	oz		660,955
LOM Average Annual Gold Production ⁵	oz		101,685
Processing Rate - oxide	Mtpa		3.75
Processing Rate - primary	Mtpa		3.0
LOM Average Gold Recovery	%		92.6
LOM Operating Costs			
Mining	A\$/t milled		13.8
Processing (oxide)	A\$/t milled		9.9
Processing (primary)	A\$/t milled		13.0
Processing (average LOM)	A\$/t milled		12.0
Administration	A\$/t milled		2.6
C1 Costs ⁶	A\$/oz		991
AISC ⁷	A\$/oz		1025
Project Economics			
LOM Revenue (A\$1650/oz)	A\$M		1091
LOM Pre-Tax Operating Cashflow (A\$1650/oz)	A\$M		413
NPV ₈ (Pre-Tax)	A\$M		144
IRR (Pre-Tax)	%		31
Payback (Post-Tax)	Years		3.1

² Excludes mining fleet

³ May include rounding adjustments

⁴ Includes mine rehabilitation and closure costs

⁵ Excludes final quarter of production

⁶ Includes royalties equating to \$82.90/oz

⁷ Includes sustaining capital costs equating to \$34.50/oz

A further 13,460m of RC drilling was completed through the course of winter 2017 and a new mineral resource estimation was completed in November 2017. The new mineral resource totalled 38.3 million tonnes grading 1.1g/t Au for 1,326,000 ounces

of gold. This 2017 Resource included 8.3 million tonnes @ 1.25g/t Au for 334,300 ounces in the Measured category. The November 2017 Resource used numbers and costings based on the 2017 Feasibility Study. An additional 77,000 ounces of oxide and transitional resources were added to the total resource.

The mineral estimation technique differed slightly to previous estimates. Three-dimensional wireframes were created to constrain the mineralization and allocate geology to the block model. Micromine software was used for the wireframing of ore, geology, and weathering profiles. The Bibra mineralization wireframe models were built using sectional interpretation and visualization of the mineralization in three-dimensions. The sectional mineralization strings were defined with a cut-off grade of 0.3g/t Au. There are three main domains including Laterite, Main Hanging wall, Main Footwall and two smaller domains including the Finns lodes (old hangingwall lodes) and Port Rush which occur inside the main resource area. Located outside the Main Bibra Pit area, there are several other resource areas such as Southern Corridor and Easky, which were included in the estimate. Ore zones greater than 1.0g/t Au occur in the Main Hanging wall, Main Footwall and Laterite domains, these zones were separately wireframed. The interpretation and wireframes of geology were built by on-site geologists to ensure the interpretation consistency. Geological logging and structural measurements from drillholes have been used to construct the geological model. Geological continuity has been assumed along strike and down-dip.

A block model was created to encompass the Bibra mineralization and prospects in proximity. The block model was constructed using a 5m by 12.5m by 5m parent block size with sub celling allowed for volume resolution. Variography was undertaken on domains in Snowden's Supervisor and the variography used to undertake Kriging neighbourhood analysis to optimize the block size, search distances and min/max sample numbers used. The block model grades were estimated using ordinary kriging grade interpolation techniques constrained within the mineralization wireframes. All work was completed in the local grid co-ordinate system. Search ellipses were developed from variography and were oriented parallel to the ore bodies. The estimation was completed in a number of passes with the following parameters: Pass 1 – min 6, max 36 samples, with a drillhole sample limit of 3 samples per drillhole inside a search ellipse of 50m by 50m by 10m. Pass 2 – min 6, max 36 samples, with a drillhole sample limit of 3 samples per drillhole inside a search ellipse of 100m by 100m by 20m. Pass 3 – min 3, max 36 samples inside a search ellipse of 100m by 100m by 20m. Pass 4 – min 3, max 36 samples inside a search ellipse of 400m by 400m by 80m. Top-cuts were applied to sample composites in 17 domains, with 25 samples cut. Four estimation search passes were used for each domain. All estimation was completed at the parent cell scale.

Density assumptions were based on 10,138 samples (7,345 downhole gamma readings, 2,793 water immersion method density readings). Average densities for oxidation profiles or rock type (transition and fresh rock) were assigned to the block model using the three-dimensional geological model.

The resource model has been classified as Measured, Inferred and Indicated. Measured material has been classified based upon material defined by 25m x 25m drilling inside the Stage 2 DFS reserve design pit. Indicated material was defined by material which was defined by constraining the model to areas where there was drill spacings between 25m x 25m and 50m x 50m inside the A\$1,750/Oz optimized pit shell. Inferred material was defined Page 7 of 21 by material which had drill spacing of between 50m x 50m and 100m by 100m inside a A\$2,000/Oz pit shell. The block model was validated using various techniques. These techniques consisted of visual checking, domain assay vs block model grade, Swathe plots and quantitative kriging measures. The new resource was also checked against the April 2017 model to make sure they were comparable.

Table 6-6 November 2017 Mineral Resource (Open Pit) (Source: Capricorn Metals 2017)

TABLE 1: BIBRA GOLD DEPOSIT JORC OPEN PIT RESOURCE ESTIMATE (as of November 2017)												
Date	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
Nov 2017	8.3	1.25	334	22.6	1.05	765	7.3	1.0	227	38.3	1.1	1.326

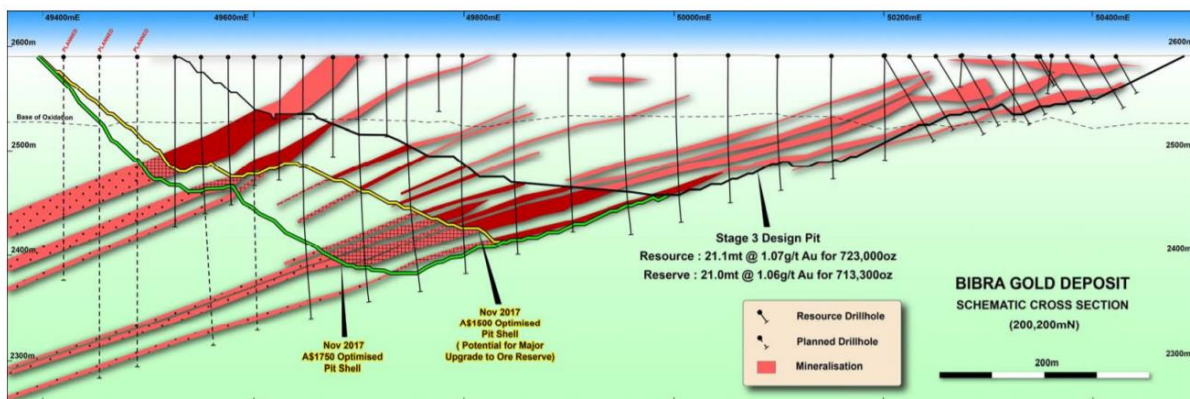


Figure 6-1 Bibra Cross Section 200,200N Showing 2017 Resource Pits

On May 29, 2018, Capricorn announced a further increase in its ore reserves following an update by Entech Pty Ltd. This was based on an additional 118 RC holes totalling 13,814m.

The work by Entech Pty Ltd. resulted in an increase of Mineral Resource to 45 million tonnes @ 1.0g/t Au for 1.4 million ounces and an updated Ore Reserve of 27.5 million tonnes @ 1.0g/t Au for 892,000 ounces.

Table 6-7 May 2018 Karlawinda Open Pit Reserve Statement A\$1600/ounce (Source: Capricorn 2018)

Deposit	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes (’000 t)	Grade (g/t Au)	Ounces (’000 oz)	Tonnes (’000 t)	Grade (g/t Au)	Ounces (’000 oz)	Tonnes (’000 t)	Grade (g/t Au)	Ounces (’000 oz)
Bibra pit	9,603	1.1	337	16,915	1.0	529	26,518	1.0	866
Sth Corridor pit	7.9	0.6	0.2	1,027	0.8	26	1,035	0.8	26
Total	9,611	1.1	337	17,942	1.0	555	27,553	1.0	892

Notes:

1. Ore Reserves are a subset of Mineral Resources.
2. Ore Reserves reported in conformance with the JORC 2012 Code definitions.
3. Ore Reserves are calculated using a gold price of A\$1600/ounce.
4. Ore Reserves are calculated using a cut-off grade between 0.27g/t and 0.35g/t Au.
5. Mining dilution and recovery, estimated by modelling to a Selective Mining Unit (SMU) with dimensions of 5m x 5m x 2.5m, are 5% and 94% respectively.
6. All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation.

Table 6-8 Updated May 2018 Mineral Resource (Source: Capricorn 2018)

Classification	Tonnes (’000t)	Grade (g/t)	Ounces (’000oz)
Measured	10,640	1.1	365
Indicated	34,160	0.9	1,010
Measured and Indicated Total	44,800	1.0	1,375
Inferred	6,160	0.7	150
Total	50,960	0.9	1,525

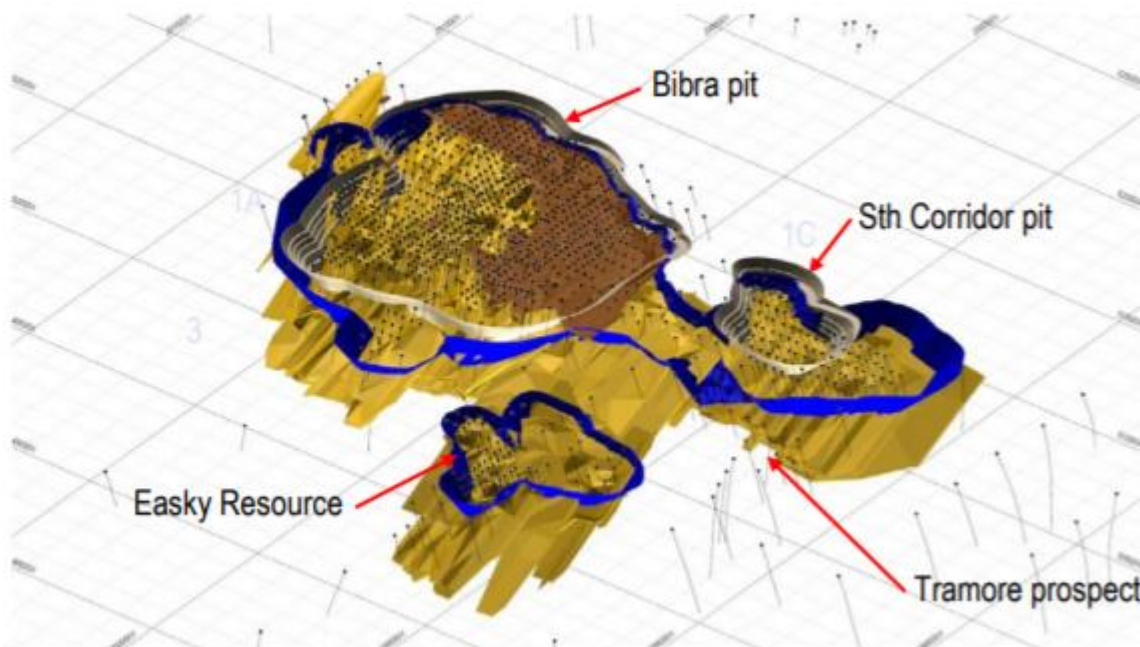


Figure 6-2 Karlawinda Reserve Pits (Grey) and Resource Pits (Blue) - May 2018 (Source: Capricorn 2018)

Work was completed on the metallurgical and processing of ore from Karlawinda in 2018. Test work was carried out on 35 composites prepared from 779m of diamond core, totalling 90 intervals from 52 drill holes. The samples amounted to 4,103kg and cover all four weathering horizons of the Bibra deposit.

Table 6-9 Metallurgical Sampling at Bibra (Source: Capricorn 2018)

Ore Type Composite	IGO 2012	IGO 2013	Capricorn (2016 - 2017)	Total	Overall Mass of Composites Prepared (kg)
Laterite Ore	1	2	2	5	501
Saprolite Ore	2	3	4	9	942
Transition Ore	1	1	1	3	469
Fresh Ore	2	5	6	13	1504
Master Composites	-	2	3	5	687
Total	6	13	16	35	4103

The test work demonstrated Bibra ore contains a gravity recoverable gold component and is free milling with high gold extractions achievable by conventional cyanidation.

Comminution test work at this time included 25 SMC tests, 22 Bond Rod mill and 45 Bond Ball mill work indices.

Modelling of the comminution circuit for the Karlawinda Gold Project was also undertaken by Orway Minerals Consultants (OMC) and others. Final circuit selection

provides for a flexible flowsheet able to suitably treat the range of ores over the project life.

Table 6-10 Birba Comminution Results May 2018 (Source: Capricorn 2018)

Test	Ore	Units	Result
SMC (A*b)	Oxide Fresh		70-100 34
BBWI	Oxide Fresh	kWh/t kWh/t	13.0 14.8
UCS	Fresh	MPa	75
Abrasion Index	Oxide Fresh	g g	0.07 0.23

For metallurgical recover 120 leach tests were performed on the various Bibra ores over the various test work programs. The work showed that all ores were free milling, have a lower sensitivity to grind size, and with the gravity gold component removed is fast leaching with low reagent consumptions. Estimated plant gold recovery ranges from 91% to 94% depending on grind size, head grade and ore type (Table 6). An average of 25% of gold from oxide ore and 45% from fresh ore is estimated to be recovered by gravity methods. No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.

Table 6-11 Bibra Gold Recovery Test Work Summary (Source: Capricorn 2018)

Ore Type	Grade (g/t)	Units	P80 grind Size µm	FS Recovery (%)
Laterite	1.4	%	150	94.1
Oxide	1.0	%	150	92.8
Transition	1.0	%	150	91.8
Fresh	1.1	%	106	92.5
Average	1.09	%		92.6

Further optimisation work on the feasibility study in 2018 resulted in an increase of project NPV to A\$243 million and an improved IRR of 36%. Life of mine was increase by two years to 8.5 years at a strip ratio of 4.8:1.

On May 15, 2019, Capricorn announced that it has re-commenced drilling at Karlawinda property, specifically at the Tranmore prospect to the south west of the main Bibra deposit. 7,500m of RC drilling was drilled and results included 19m @ 1.51g/t in KBRC1184 and 14m @ 1.63g/t Au in KBRC1061.



The JORC compliant Ore Reserve announced on April 17, 2020 was updated to 43.5 million tonnes at 0.9g/t gold for 1,201,000 ounces.

The planned plant capacity was also increased from 3.0mtpa to 4.0mtpa for an estimated 105,000-120,000 ounces of gold per year.

The 2020 Mineral Resource and Ore Reserve update included ounces that are down dip to those included in previous ore reserve updates and were included due to an increase in price of gold estimate to A\$2,000/Oz used in the creation of the pit shells.

Table 6-12 2020 Ore Reserve for the Karlawinda Project (Source: Capricorn 2020)

Deposit	Type	Cut-Off	Proved			Probable			Total Ore Reserve		
			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.

Table 6-13 2020 Mineral Resource for the Karlawinda Project (Source: Capricorn 2020)

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)
Bibra	Open Pit	0.3 <	51.5	0.8	1,374	10.8	0.7	244	62.3	0.8	1,618
Southern Corridor	Open Pit	0.3 <	14.4	0.7	324	6.9	0.7	151	21.3	0.7	475
Easky	Open Pit	0.3 <	1.3	0.6	24	1.8	0.5	28	3.1	0.5	51
Total	Total		67.2	0.8	1,722	19.5	0.7	422	86.7	0.8	2,145

- 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.

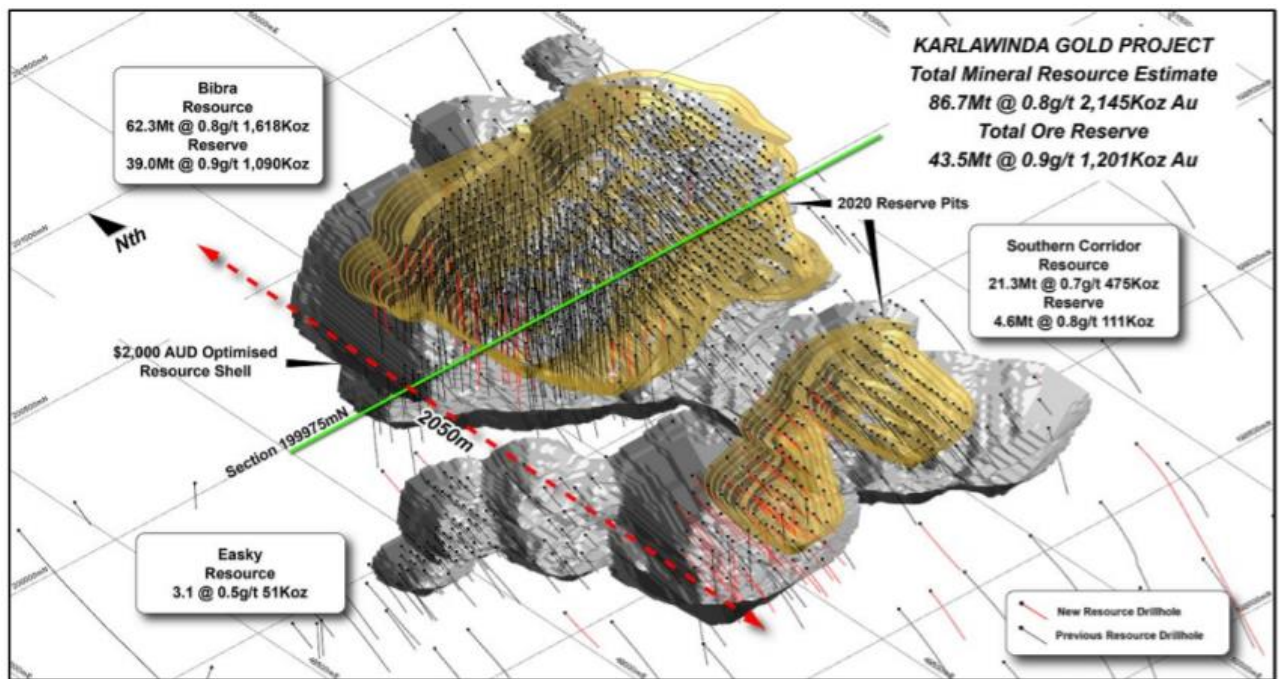


Figure 6-4 Karlawinda Reserve Pits (Gold) and Resource Pits (Grey) - 2020 Mineral Resource and Ore Reserve (Source: Capricorn 2020)

The Ore Reserve estimate has been completed on the basis of Modifying Factors used in Capricorn's November 2017 Feasibility Study (FS) and updated by subsequent studies including further optimisation and trade-off studies on the process plant and non-plant infrastructure.

These studies were completed by a team consisting of Capricorn personnel and independent external consultants.

Key points of this work include:

- Revised process plant design incorporates tertiary crushing, single Ball Mill comminution circuit followed by a conventional gravity and carbon in leach (CIL) process to treat the ore.
- Power will be generated on site utilising natural gas via a 56km pipeline connecting to the Goldfields Gas Pipeline (GGP).
- The gold price assumption for Ore Reserves has remained at A\$1600/oz. This reflects the spot gold prices over the past 5 years and is well below current spot price.
- Ore Reserve pit design, staging and scheduling completed by Entech Pty Ltd in consultation with Capricorn personnel.

- Ore processing costs have reduced from the 2018 Ore Reserve as a result of improved plant throughput and efficiency to \$9.78 / t for laterite ore, \$9.57/t for oxide, \$10.50/t for Transition and \$11.73/t for fresh ore.
- A Mining Proposal (including a Closure Plan) has been approved and environmental approvals for the mining and water supply aspects of the project have been issued by the Department of Mines, Industry Regulation and Safety (DMIRS). A Native Vegetation Clearing Permit has been granted for the project site. The Mining Proposal will be updated for mining and processing of the increased Ore Reserve.
- Department of Water and Environmental Regulation (DWER) have granted These approvals will be amended to allow for the processing of the increased Ore Reserve.

In July 2020, Capricorn announced that through further optimisation of the planned crushing and grinding circuits to achieve a through-put of 4.5mtpa-5.0mtpa in the oxide/fresh ore blend from years one through 3 and 4.0mtpa-4.5mtpa in solely fresh rock ore in years four through close.

Announced on the 18th November 2020, Capricorn had completed 45,000m of grade control drilling on the laterite ore portion of the Bibra open pit. This grade control drilling has delineated over 4 million tonnes of ore and is in-line with the Ore Reserve in the areas drilled. This drilling defines the entire laterite portion of the deposit and provides confidence in the planning of mining activities and management of mill feed for the first year of operations. This completes the pre-production phase of grade control drilling with further grade control drilling to commence once oxide mineralisation is exposed through mining activities.

6.3 Previous Production

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

However, it is noted that there is no historical production including in publicly disclosed material.

7 Geological Setting and Mineralisation

7.1 Regional Geology

Regionally the projects are located on the southern edge of the Pilbara craton within the exposed Sylvania Inlier.

The Sylvania Inlier is a small, elongated Archean granite-greenstone province which consists of low to medium grade meta volcanics, mafic and ultramafic intrusions and metasedimentary rocks which have been extensively intruded by the granitoid bodies.

The Sylvania Inlier is the southmost granite-greenstone terrane of the Pilbara Craton. It is a section of the Pilbara Archean Basement thought to have formed in response to the collision between the Yilgarn and Pilbara Cratons. Rocks of the Pilbara Supergroup are in conformable contact with the Inlier on the east-south-eastern margin, and in turn, are unconformably overlain by rocks of the Fortescue Hamersley Groups. Mineralisation at Karlawinda is hosted in psammites, pelites, schists and amphibolites.

A comparison of the location of host rocks to rocks off the east-south-eastern margin suggests that part of the Mount Bruce Supergroup is a prime host package candidate for the Bibra mineralisation (Ferguson 2012).

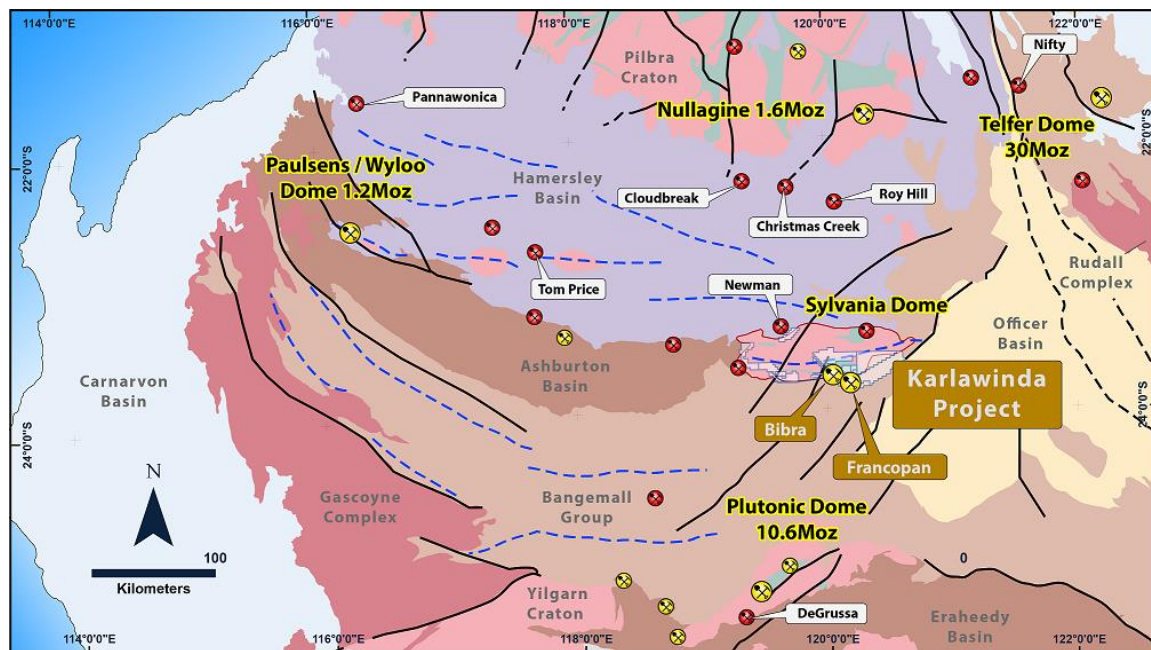


Figure 7-1 Regional Geological Setting within the Pilbara Craton (Source: Capricorn Metals)

7.2 Property Geology

Technical data for the Karlawinda Gold Project was not provided by Capricorn and as such the author can only comment on the property geology, mineralization and structure for the Karlawinda Project based on publicly available data.

The Karlawinda Gold Project falls within the Karlawinda Greenstone belt which spans the southern margin of the Sylvania Inlier and is considered part of a large-scale Archaean age gold mineralized system.

The field site predominantly consists of east-west striking metasediments in contact with the Sylvania Inlier to the north of a high-strain zone, and in unconformable contact with Collier Group sediments to the south of Bibra (Cooper et al 1998).

Mapping completed by Clow (2010) has indicated five main lithologies in the vicinity of the Bibra Deposit. These include basement metasediments, basement amphibolites, basement quartz-feldspar mylonite, granites of the Sylvania Inlier and Cainozoic and Quaternary colluvium, alluvium, and laterites. The basement host package comprises of interbedded psammites, pelites, schists and amphibolites with a weathering depth of approximately 50 metres.

The basement stratigraphy at Karlawinda has been recrystallized during amphibolite facies metamorphism and the majority of primary textures have been destroyed. Lithological boundaries are predominantly gradational; however, amphibolite and para-amphibolite contacts are often sharper. Foliated, and foliation-cross-cutting

quartz ± sulphide, quartz carbonate ± sulphide and carbonate ± sulphide veins are common throughout diamond drill cores.

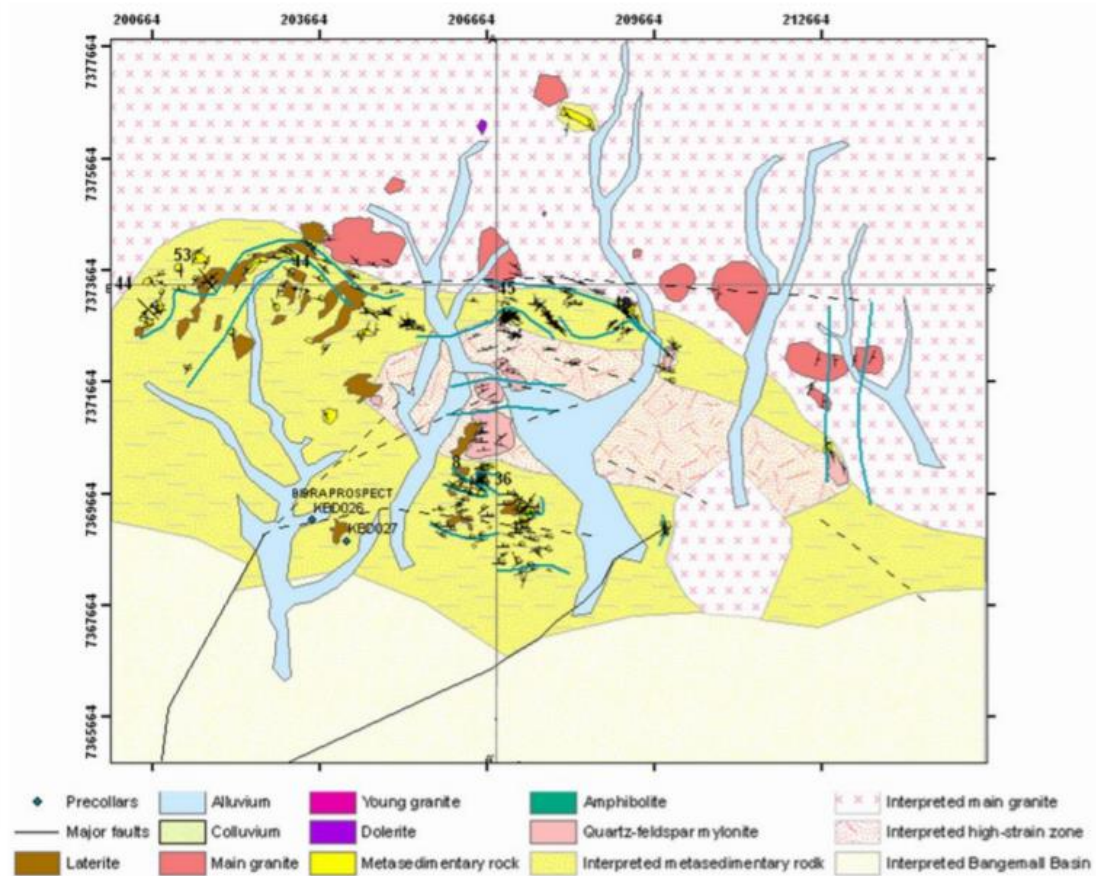


Figure 7-2 Local Geology of the Karlawinda Gold Project and Southern Sylvania Inlier (After Clow 2010)

7.2.1 Mineralisation & Structure

Gold mineralisation is present in two parts including laterite and oxide/primary mineralisation. The laterite mineralisation lies just below the surface and consists of pisolitic lateritic duricrust composed of maghemite, goethite and hematite. The laterite zone is 1.25km long by 1.15km wide.

Oxide gold mineralisation occurs below the laterite gold mineralisation, approximately 10 metres below surface, and is hosted in kaolin and smectite rich clays and is approximately 60m deep.

The oxide/primary mineralisation gold mineralisation has developed on at least two parallel, 40m thick, shallow dipping sandstone units, which dip to the west-north-west at 22°. The primary mineralisation has developed in two main lodes named the Main footwall and Main Hangingwall. These lodes strike NE-SW and dip west-northwest at 22°. The gold mineralisation is strata-form with lineations identified as controlling higher-grade shoots. The lodes are typically wide intercepts (e.g. 40m @ 0.9 g/t Au) but high-grade shoots have developed parallel to the metamorphic fabric plunging to the west-north-west in a rod-like geometry. Down-plunge the grades and thicknesses remain consistent whilst along strike they are more variable. The primary mineralisation in fresh rock is marked by 3-10% sulphides, subhedral magnetite grains, quartz veins/veinlets, and fine-grained gold.

Outside of the main mineralization, more discrete lodes occur. In the hanging wall to the main mineralisation, Port Rush, Easky, Finns and Easky East ore domains occur and to the south of Bibra, Mineralisation continues south from the main pit area into the Southern Corridor and Tramore lodes.

7.2.2 Geological Cross-sections

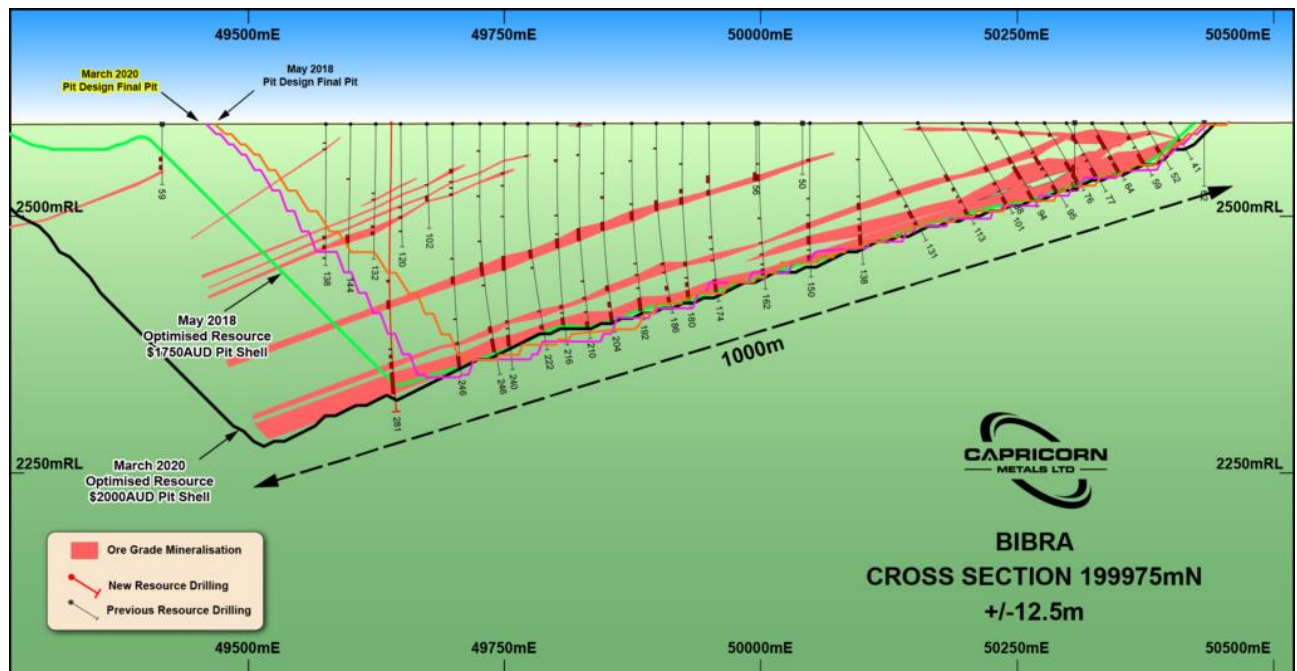


Figure 7-3 Bibra Gold Deposit 199,975mN Cross-Section (Source: Capricorn Metals)

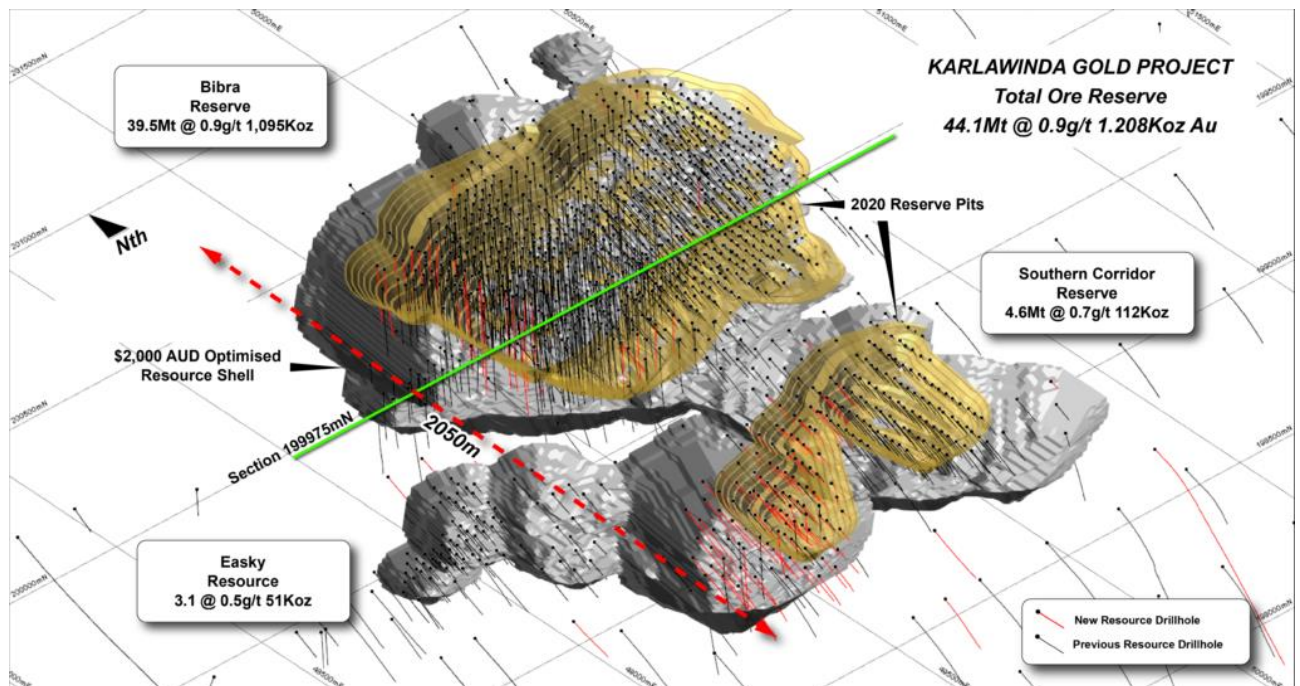


Figure 7-4 Overview looking NE at the Karlawinda (Bibra) Gold Project. Reserve Pits (gold) and Resource shells (Grey). Section 199975mN also shown (Source: Capricorn Metals)

8 Deposit Types

The Karlawinda Gold Project is considered to be a typical Archean age greenstone gold lode deposit with supergene enrichment in laterites near surface.

The gold lodes at Bibra appear to be strata-bound within deformed meta-sediments with lineations identified as controlling higher-grade shoots.

9 Exploration

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

10 Drilling

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

11 Sample Preparation, Analyses, and Security

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

12 Data Verification

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

13 Mineral Processing and Metallurgical Testing

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

14 Mineral Resource Estimates

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

15 Mineral Reserve Estimates

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

16 Mining Methods

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

17 Recovery Methods

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

18 Project Infrastructure

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

19 Market Studies and Contracts

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

20 Environmental Studies, Permitting, and Social or Community Impact

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

21 Capital and Operating Costs

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

22 Economic Analysis

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

23 Adjacent Properties

The exploration permits surrounding the Karlawinda Gold Project, including the Bibra and Francopan discoveries is wholly owned by Capricorn through Greenmount.

Tertiary Prospecting Pty Ltd and Element 25 Ltd are registered as holding active exploration licenses to the South West of M52/1070 however there is no publicly available information for these adjacent licenses.

Gascoyne Resources, an ASX listed company currently hold the tenements to the West of the Karlawinda project. Gascoyne note that there is some historic exploration on this property, known as Mumbakine Well, but do not provide additional details.

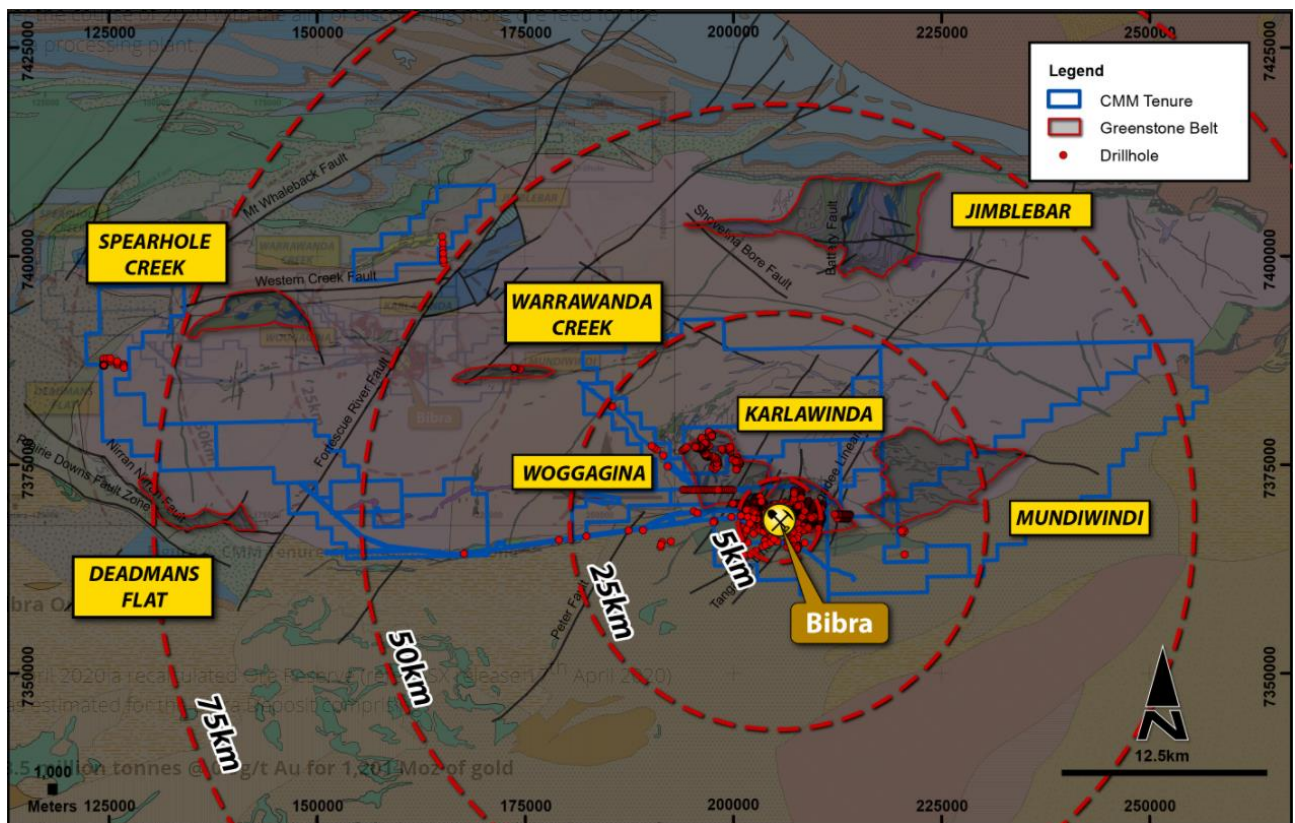


Figure 23-1 Capricorn Metals Tenure (Source: Capricorn 2020)Figure 23-2

24 Other Relevant Data and Information

Elemental is exempted under Section 9.2 (Exemptions for Royalty or Similar Interests) of NI 43-101 from providing this disclosure, as the information required to provide such disclosure is not available to Elemental.

25 Interpretation and Conclusions

KCL has relied solely on information published in the public domain and notes the following limitations with respect to compliance with requirements and guidelines as included in NI 43-101, Form 43-101F1 and the Companion Policy as published and updated by CSA, where KCL:

- Was not able to make a site visit as Part 6.2 of NI 43-101,
- Was not able to verify and validate any technical information used to evaluate historic resource estimates, nor any technical information by previous owners of the Karlawinda Gold Project.

Given the limitations of relying on public domain data, KCL was unable to comply with the following aspects of NI 43-101: Part 3 (3.2), (3.3), (3.4-b, c, d); Part 6 (6.2, 6.3, 6.4) and;

- KCL, while relying on public information for the Technical Report has been unable to:
 - Secure specific consents from individuals or corporations which have published public domain data,
 - With respect to ongoing work conducted by Capricorn: Obtain detailed technical information relating to the following requirements of Form 43-101F1:
 - Item 6 (d), Item 9, Item 10, Item 11, Item 12, Item 13, Item 14, Item 15, Item 16, Item 17, Item 18, Item 19, Item 20, Item 21, Item 22 and Item 24.

25.1 Potential Risks

The Karlawinda Gold project can be considered an early stage mining project, and as such there are many associated risks. These risks can be mitigated through advanced exploration, data collection and evaluation techniques, as well as engineering using current estimates for costs, exchange rates and gold price. Some identified risks:

- Access to Capricorn's current project for independent verification was not granted,
- Geological interpretation – Further infill drilling may change the geological interpretation leading to a reduction in the interpreted mineralized envelope.
- Mineral resources are reported according to JORC guidelines and do not comply with NI 43-101 reporting requirements and associated CIM definition standards.
- Mine planning is in its infancy and outlooks could change
- Currently the processing and recovery procedures for the project are unknown and could affect production value.

26 Recommendations

Based on the expertise of KCL it is recommended that Elemental continues to request all current information related to the Karlawinda Gold Project from Capricorn Metals for an independent geological evaluation of the property.

KCL is unaware of any other significant factors and risks that may affect access, title, or the right or ability to continued work recommended for the Karlawinda Gold Project.

27 References

Capricorn Metals Ltd. 2020. Karlawinda Gold Project, Mining Proposal M52/1070, L52/177, L52/178, L52/179, L52/181, L52/183, L52/189, L52/192, L52/197. Submitted to the Government of WA – 10/10/2020

Clow, D. 2010. Structural Controls and PGE associations with gold mineralisation at Karlawinda, Sylvania Inlier, Western Australia. Science Honours. University of Western Australia, Australia.

Cooper, R., Langford, R. & Pirajno, F. 1998. "Mineral occurrences and exploration potential of the Bangemall Basin: Western Australia Geological Survey". Report

Ferguson, M., 2012 "Mineral Paragenesis and Geometallurgy of the Karlawinda Deposit, Western Australia", Science Honours Thesis, University of Tasmania, Australia

28 Statements of Qualifications and Consent

CERTIFICATE OF QUALIFIED PERSON

To Accompany the report entitled: **NI43-101 Technical Report – Karlawinda Gold Project, Western Australia, Australia, December 31, 2020.**

I, Timothy Strong BSc (Hons) ACSM FGS MIMMM RSci, of Kangari Consulting Limited, 7 Bell Yard, London, WC2A 2JR, UK; do hereby certify that:

- 1) I am a Principal Geologist with the firm of Kangari Consulting Limited, with an office at 7 Bell Yard, London, WC2A 2JR, United Kingdom;
- 2) I am a graduate of the University of Exeter in 2009, I obtained a Bachelor of Science (Honors) in Applied geology. I have practiced my profession continuously since 2009. I have worked as an exploration geologist and economic geologist for 11 years. During my career I have worked on projects from grassroots through to feasibility in Australia, Cote d'Ivoire, Eritrea, Ethiopia, Mali, Mauritania, Pakistan, Sierra Leone, Spain, and Sudan. Projects have included the 8 million-ounce Syama Gold Project in Mali and the 2 million-ounce Yaoure Gold Project in Cote d'Ivoire.
- 3) I am a professional Geologist registered with the Institute of Materials, Minerals and Mining (MIMM 453602) and a Registered Scientist with the Science Council (RSci SC00027363)
- 4) I have not personally visited the project area as it was not required under section 9.2 of the NI 43-101.
- 5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
- 6) I, as a Qualified Person, I am independent of both Elemental Royalties and Capricorn Metals, as defined in Section 1.5 of National Instrument 43-101;
- 7) I am author of this report and responsible for sections 1 through 29; and accept professional responsibility for those sections of this technical report;
- 8) I have had no prior involvement with the subject property.
- 9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
- 10) Kangari Consulting Limited was retained by Elemental Royalties to prepare a technical audit of the Karlawinda Gold Project. In conducting our audit, a gap analysis of project technical data was completed using CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* and Canadian Securities Administrators National Instrument 43-101 guidelines. The preceding report is based on public domain information.
- 11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Karlawinda Gold Project or securities of Elemental Royalties.
- 12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

- Timothy Strong -

London, UK
December 31, 2020

Timothy J Strong MIMMM
Principal Geologist

29 Date and Signatures

To: Securities Regulatory Authority, British Columbia Securities Commission.

I, Timothy Strong, do hereby consent to the public filing of technical report entitled NI43-101 Technical Report Karlawinda Gold Project, WA, Australia, and dated December 31, 2020 (the "Technical Report") by Elemental Royalties (the "Issuer"), with the TSX Venture Exchange under its applicable policies and forms in connection with the acquisition of the Karlawinda royalties as per the press release dated November 23, 2020, to be entered into by the Issuer and I acknowledge that the Technical Report will become part of the Issuer's public record.

- Timothy Strong -

London UK
December 31,
2020

Timothy J Strong MIMMM
Principal Geologist