CAPRICORN METALS LTD

ASX Code: CMM

Building a Significant Australian Gold Company

Investor Presentation – February 2016

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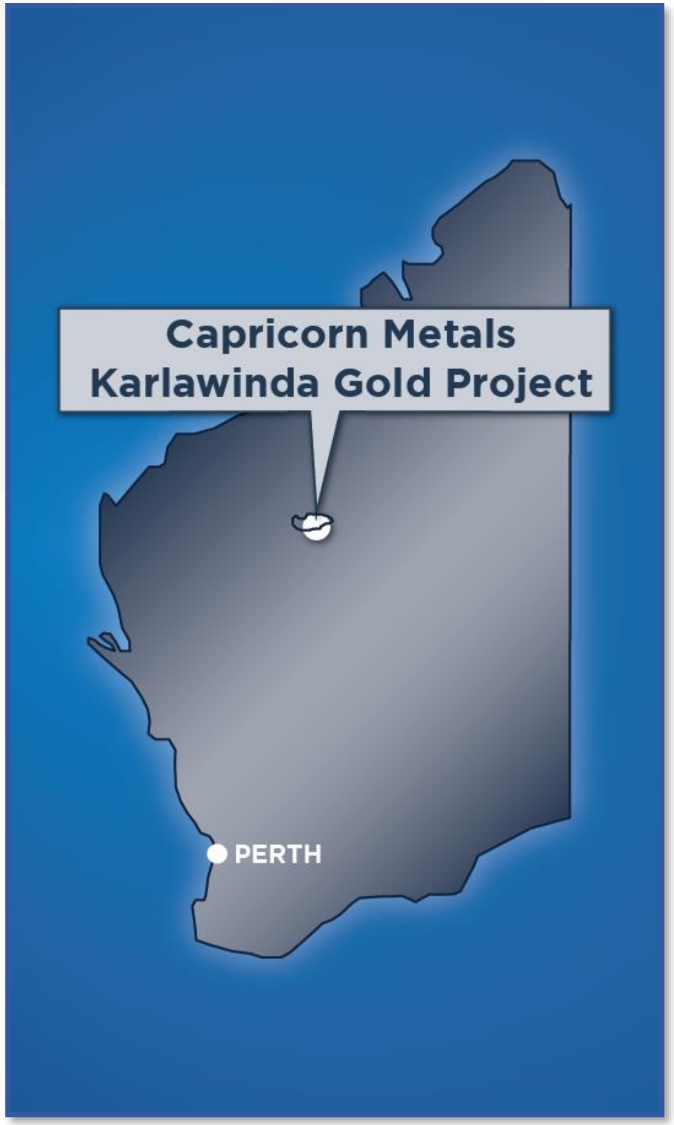
ASX announcements are available on the Company’s website at www.capmetals.com.au

A Significant New Australian Gold Company

Repositioned and Focusing on WA Gold

COMPANY SNAPSHOT

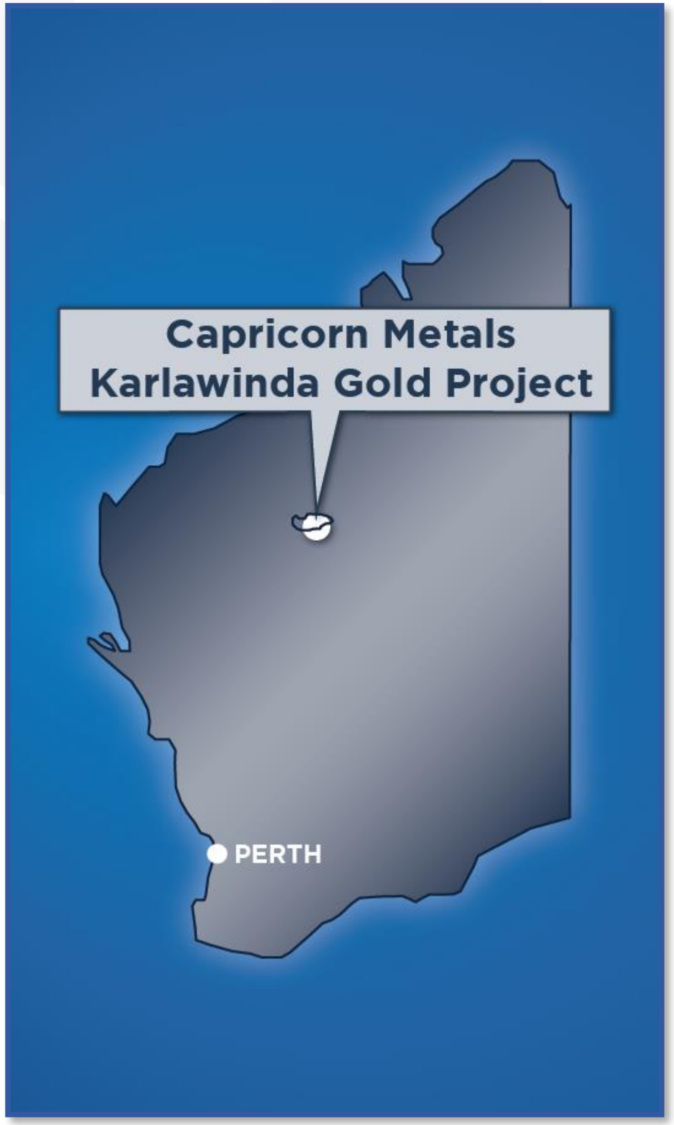
- Acquisition of the Karlawinda Gold Project via a merger with unlisted Greenmount Resources Pty Ltd
- Merger completed Feb 3, 2016 – issue of 172m shares
- 650,000oz JORC compliant inferred resource
- Clear, accelerated route to production
- $12m spent to date on scoping study activities by IGO
- Large-scale resource expansion upside and potential for camp-scale exploration success
- Funding supported by recent placement ($1.5m) and ongoing sale of assets in Madagascar
- Strong cornerstone support from Regis Resources (9.9%)
    - Recognition of asset quality
- Aim is to build a simple and highly profitable gold company!



Repositioned and Focusing on WA Gold

COMPANY SNAPSHOT

- Merger completed Feb 3, 2016:
  - Issue of 172m shares to Greenmount Resources Pty Ltd
  - Total 389m shares on issue
- Cash at hand - $1.8m
- Ongoing funding via Madagascar asset sale
- Fully funded resource expansion drilling commences early March
- Scoping Study commenced with aim to complete mid-2016



Corporate Overview

Board of Directors	
Guy Le Clezio	Non-Executive Chairman *(World Titanium Resources / Eyres Reed)*
Peter Thompson	Managing Director *(St Barbara / Jubilee / Anaconda)*
Heath Hellewell	Non-Executive Director *(Doray / IGO / Resolute)*
Peter Langworthy	Technical Director *(Jubilee / WMC / Pacmin)*

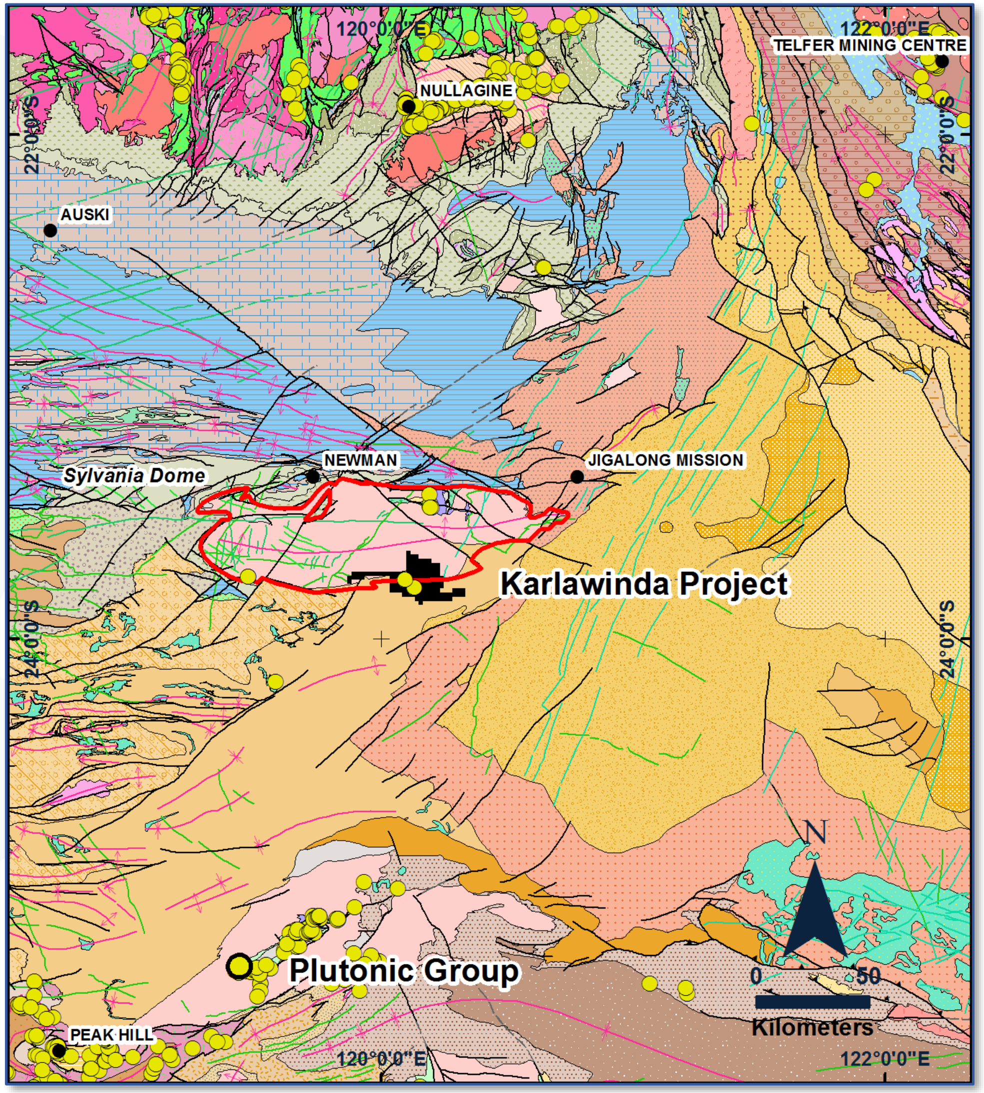
Major Shareholders	
Existing MGY holders	44%
Directors & Management	13.7%
Centrepeak	19.1%
Regis Resources	9.9%

The 172m shares issued to Greenmount Resources shareholders held in escrow for 12 months.
Centrepeak is a related entity to Heath Hellewell

Corporate Information	
ASX Code	CMM
Shares	389m
Share Price at 11 Feb	9.0c
Market capitalisation	$35m
Cash	$1.8m
Unlisted options	7.8m

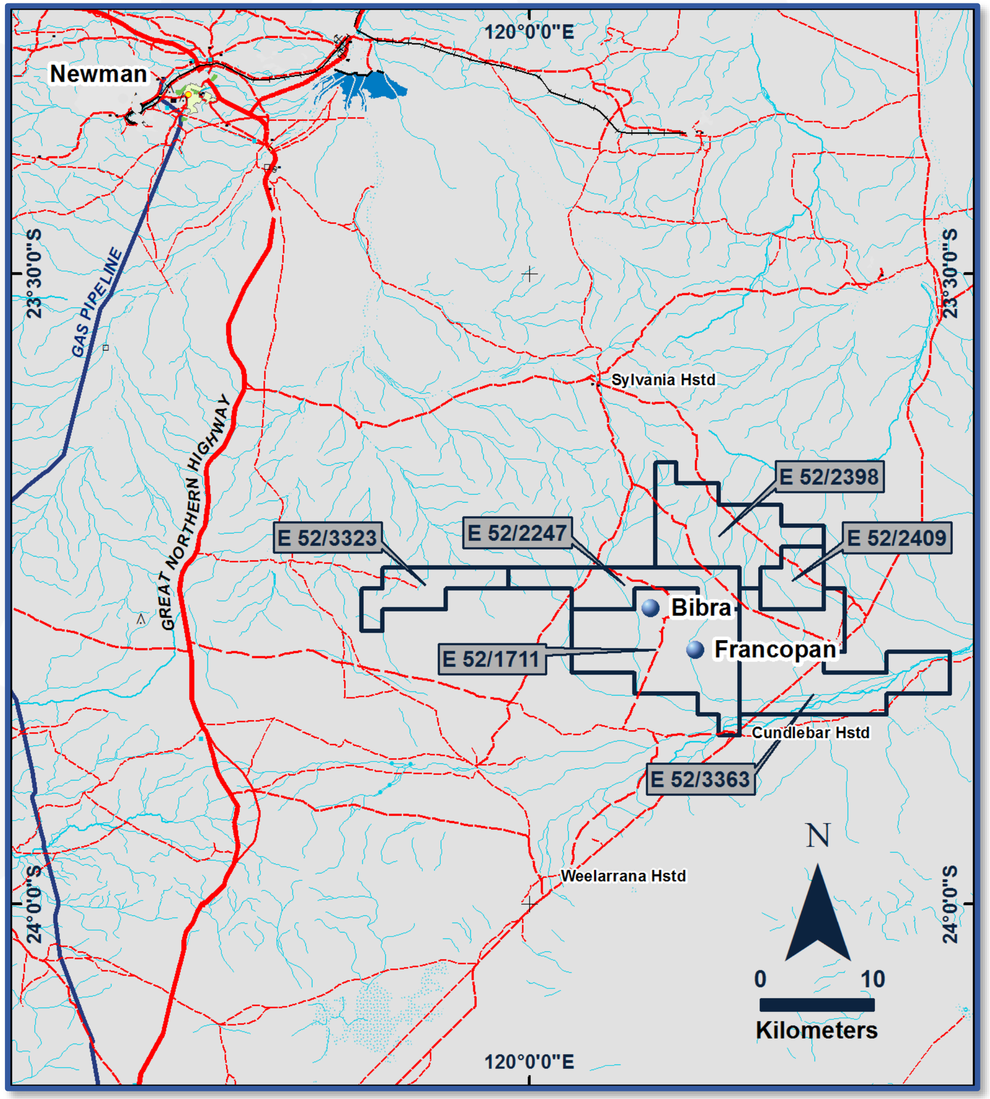
Karlawinda Gold Project – "Forgotten Opportunity"

- Gold discovered at Francopan by WMC in 2005 while exploring for Ni/Cu mineralisation – no dedicated gold exploration
- IGO acquired the project from BHPB (following WMC takeover) in 2008 for $4m
- Bibra Gold Deposit discovered by IGO in 2009 – surface geochemistry
- Drilling by IGO 2009-2012 outlined an inferred resource of 650,800 ounces within a broader zone of unclassified mineralisation
- No material activity 2013-2016
- Divested by IGO as focus now on core production and development assets – competition for capital



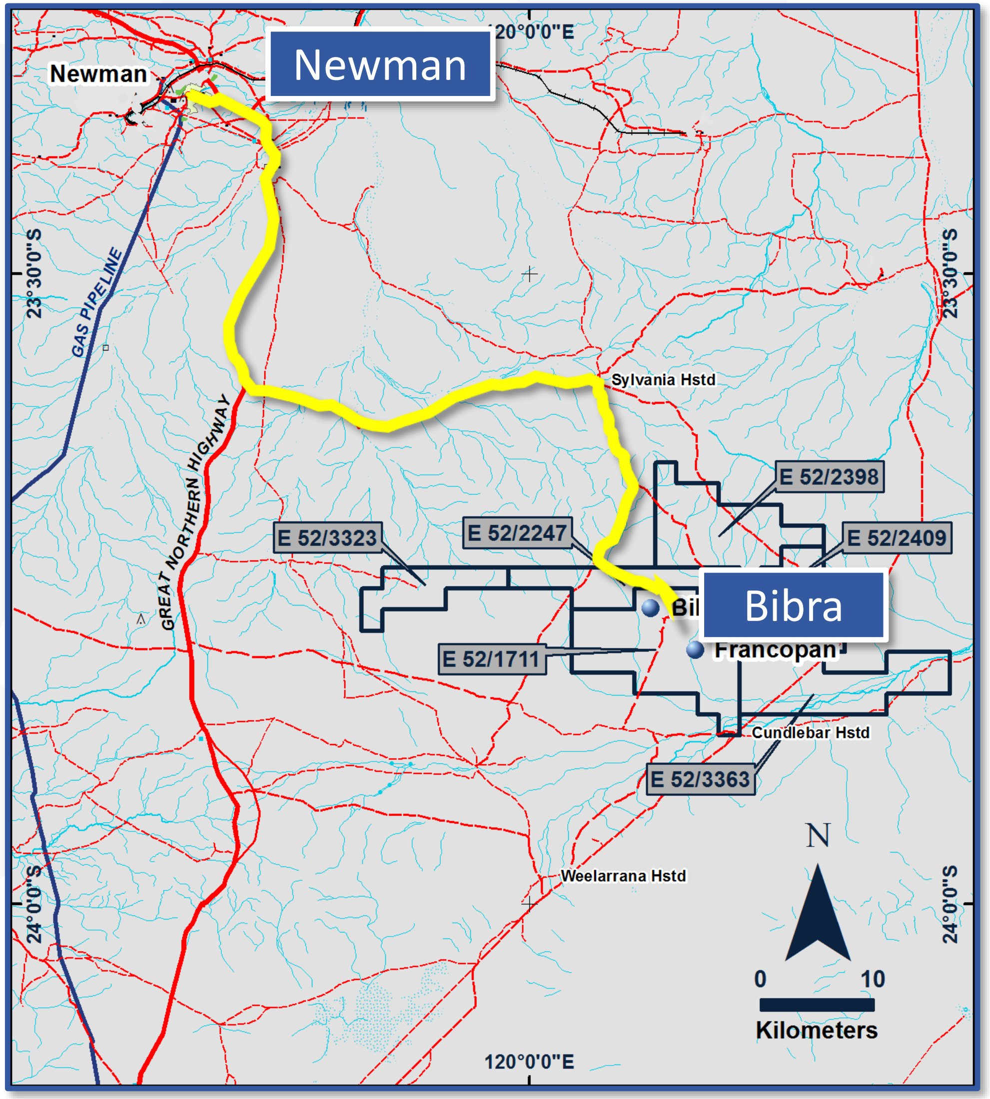
Karlawinda Gold Project – “Forgotten Opportunity”

- Greenmount Resources Sale Agreement negotiated and signed 18th August 2015
- Initial cash payment made 15th September 2015 (Project tenements transferred to Greenmount)
- Final payment of $1.5m due 18th August 2016
- BHPB Royalty:
  - 2% Net Smelter Return
- BHPB Claw-back Right:
  - If >5Moz gold resource and/or 120kt nickel resource can buy back 70% interest at 3x costs
- Malagasy Minerals / Greenmount Resources merger completed 3rd February 2016



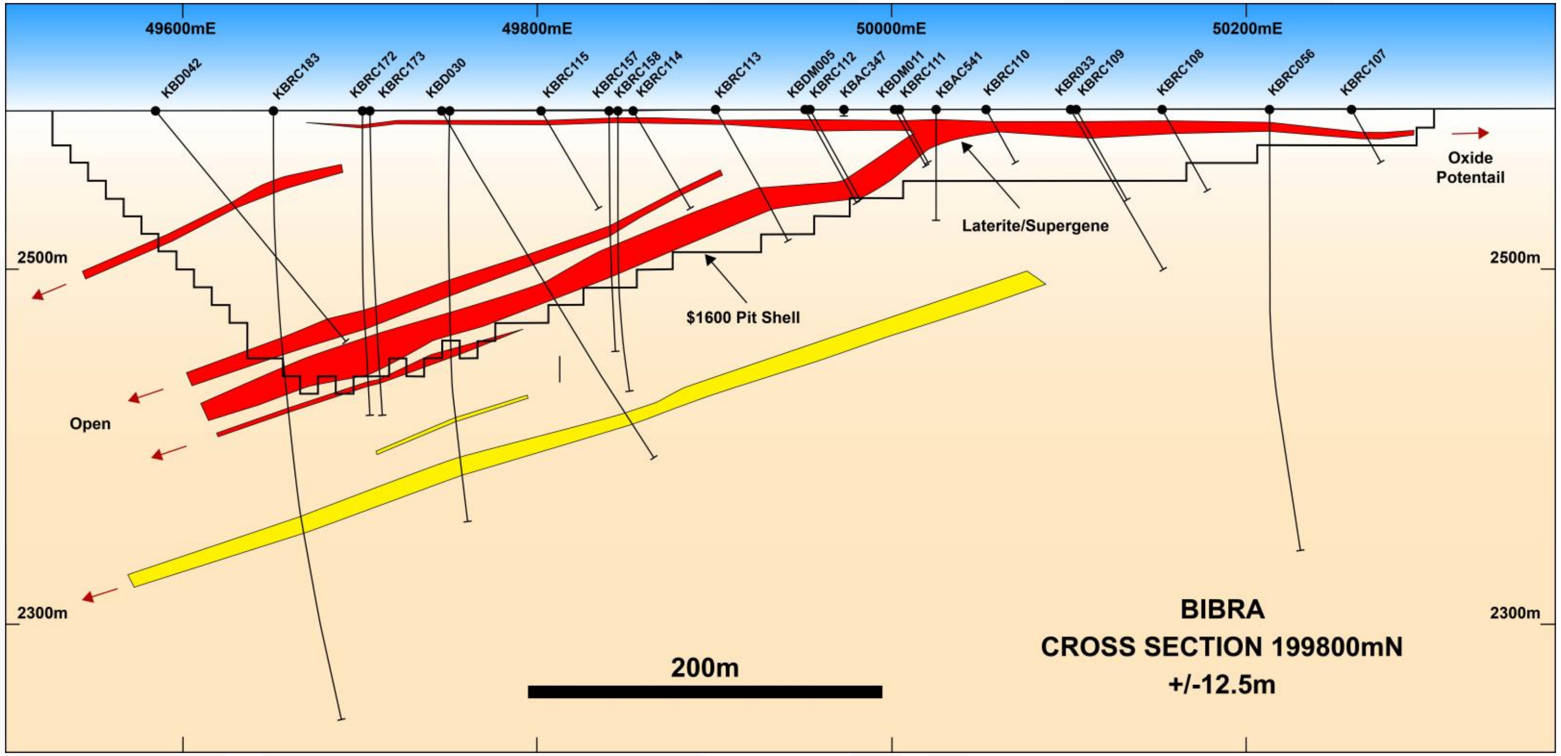
Karlawinda Gold Project – Key Metrics

- 60km from premier WA mining town
  - Major infrastructure: sealed roads, airport, gas pipeline
  - Comprehensive mining services



Karlawinda Gold Project – Key Metrics

- 60km from premier WA mining town
  - Major infrastructure: sealed roads, airport, gas pipeline
  - Comprehensive mining services
- Bibra Deposit: "Virgin" resource with no legacy issues
  - Mineralisation starts near surface / Flat dipping geometry / Low stripping ratio (4:1)
  - Thick, continuous tabular gold mineralisation: "typical Archaean shear-hosted gold deposit"



Drill intersections examples:

- KBRC064: 45m @ 1.5g/t Au *(includes 19 metres @ 2.4g/t Au)*
- KBRC092: 32m @ 2.2g/t Au *(includes 9 metres @ 3.8g/t Au)*
- KBRC005: 37m @ 1.8g/t Au *(includes 14 metres @ 3.1g/t Au)*
- KBRC064: 18m @ 2.0g/t Au *(includes 7 metres @ 4.4g/t Au)*

Karlawinda Gold Project – Key Metrics

- JORC Compliant Inferred Resource*
  - 18mt @ 1.1g/t Au for 650,880oz gold to a depth of 230m
  - Resource lies within much larger mineralised envelope
  - **Early drill opportunity to significantly expand in-pit resource**

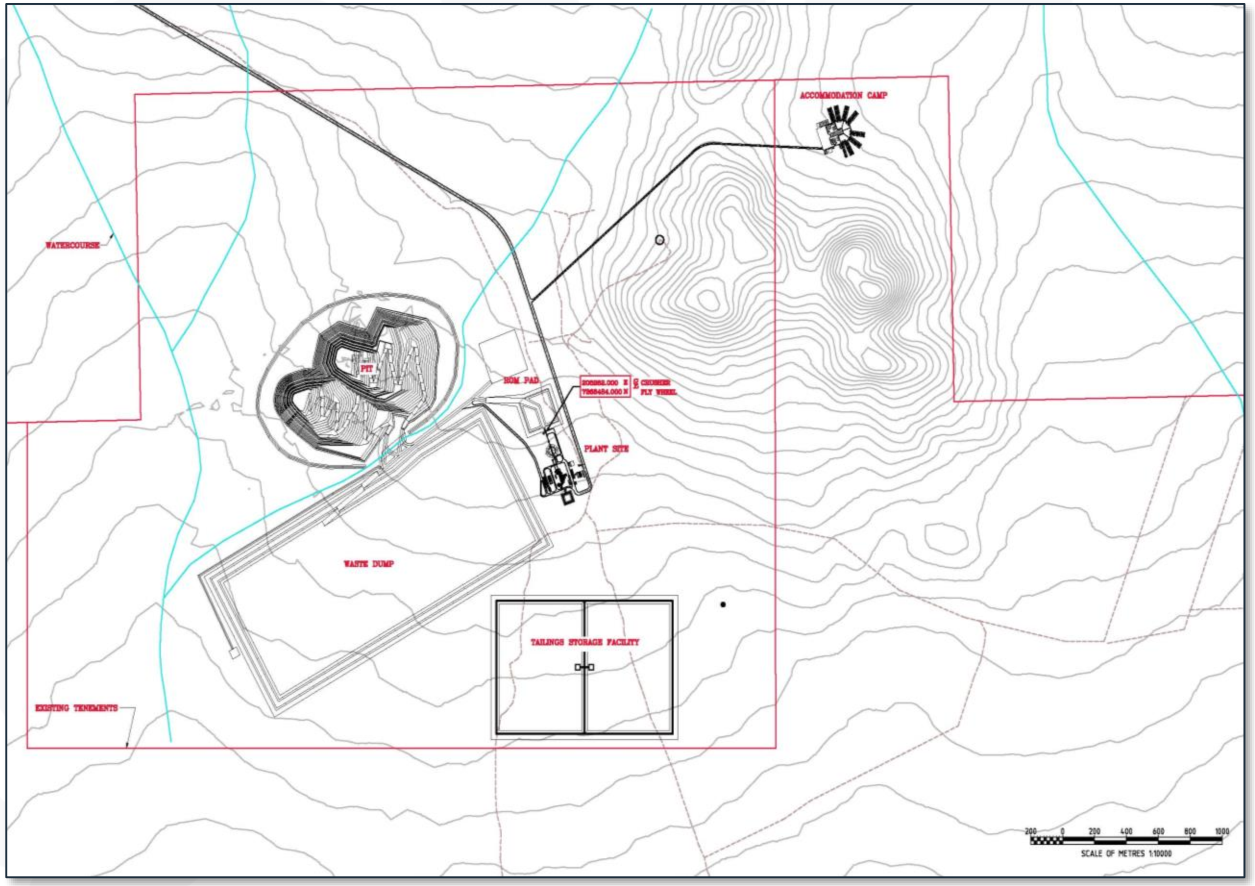
Mineralisation Type	Tonnes (Mt)	Au (g/t) Cut	Ounces
Laterite	2.1	1.2	82,900
Upper Saprolite	0.8	0.9	21,700
Lower Saprolite	2.3	1.2	88,900
Transitional	1.3	1.1	46,800
Sub Total	**6.5**	**1.1**	**240,300**
Fresh	11.5	1.1	410,500
Total Inferred	**18.0**	**1.1**	**650,800**

Top Cut: 10g/t laterite, 16g/t main ore body
Lower Cut: 0.5g/t
Inferred Boundary: 100m x 50m drilling spacing or closer
Pit Constraint: A$1600/oz optimal pit shell

*** See ASX announcement dated 6th October for JORC Table 1 details and drilling details**

Karlawinda Gold Project – Key Metrics

- Quality Scoping Study activities well advanced:
  - Approximately $12m spent to date
- Resource Estimation *(Optiro)*:
  - Largely drilled to 50 x 50m spacing
  - 43 diamond drill holes (5373.8m)
  - 266 reverse circulation drill holes (42,564m)
- Mining studies *(Cube Consulting)*:
  - Inferred resource (18mt @ 1.1g/t Au for 650,880oz) constrained in A$1,600 pit shell
  - Large single 3-stage open pit with maximum depth of only 230m
  - Life of Mine Stripping ratio of 4:1
  - Significant amount of unclassified mineralisation within pit shell



Conceptual site layout

Karlawinda Gold Project – Key Metrics

- Metallurgy

  (GR Engineering & SGS Lakefield Oretest)

  - Free-milling, good recoveries

- Geotechnical

  (Peter O'Bryan & Associates)

- Process plant design

  (GR Engineering)

- Hydrology

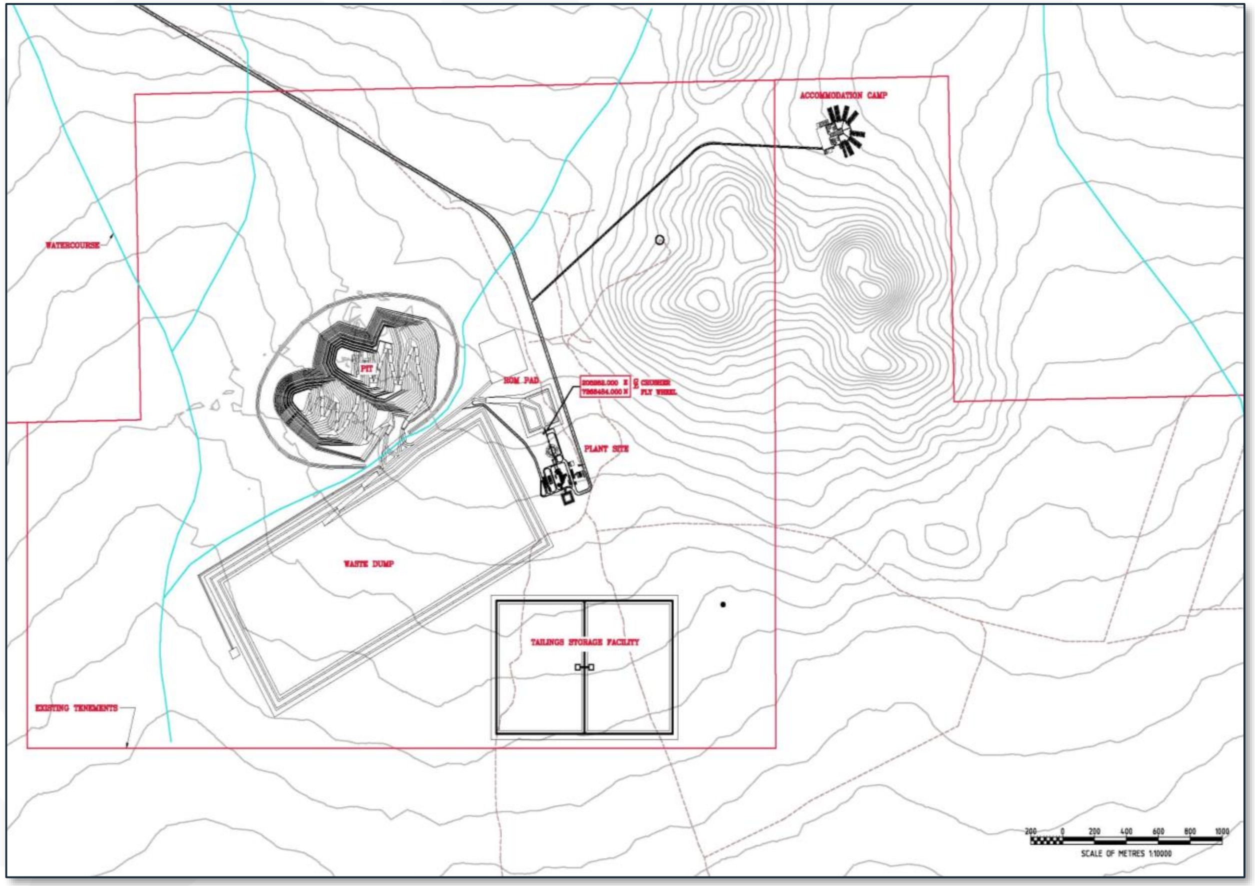
  (Rockwater)

- Archaeological and ethnographic

  (Terra Rosa)

- Environment

  (360 Environmental & Subterranean Ecology)

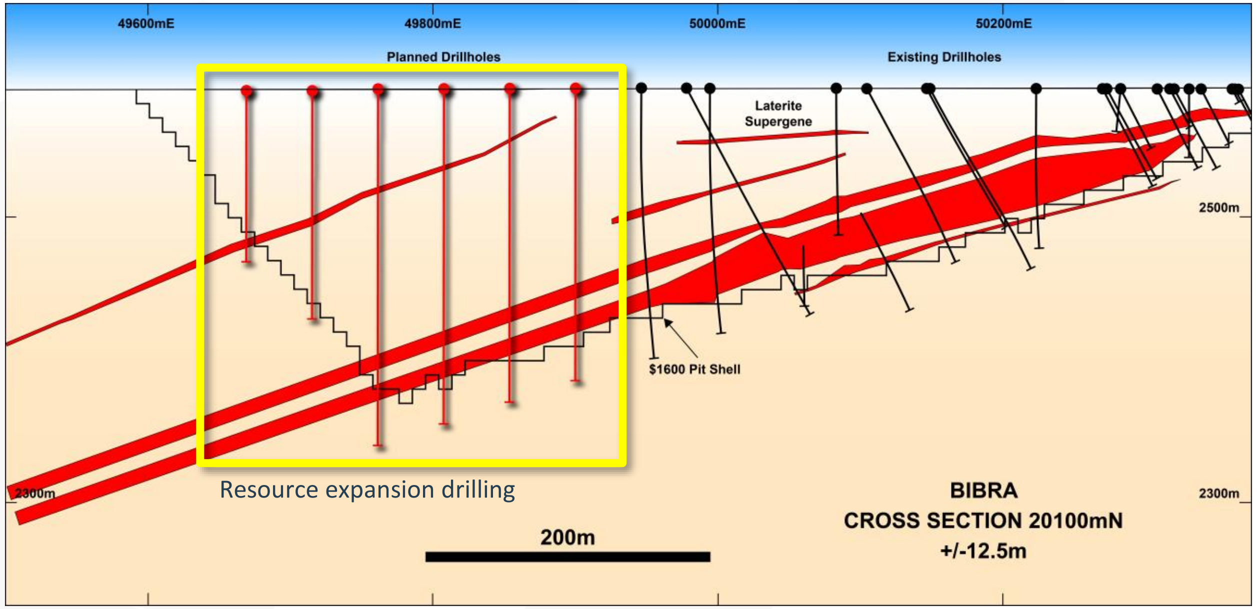


Conceptual site layout

Strategy & Activities – "In-Pit" Resource Expansion

Bibra Gold Deposit

- Expand in-pit resources:
  - 8000m RC drilling program (48 holes)
    - All statutory approvals in place
    - No heritage or environmental issues
    - Drilling and laboratory contracts awarded
  - Major opportunity to increase inferred resources within A$1600 pit shell
  - Aiming for updated resource by June 2016
- Review and build on Scoping Study information:
  - Already in a well advanced position
  - Gap analysis – What do we need to do to bring this to feasibility study standard?
  - 2016 – lower CAPEX environment
  - Transition to a feasibility study
- Mining Lease application process underway



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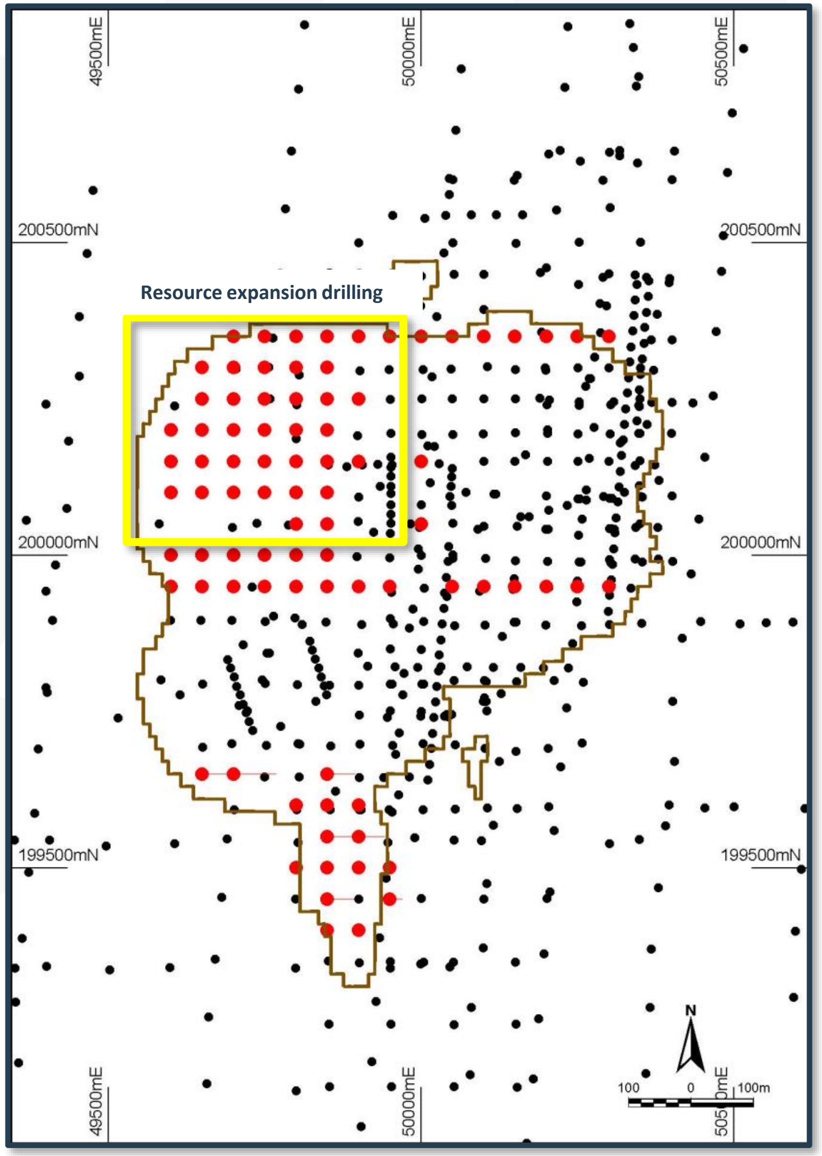
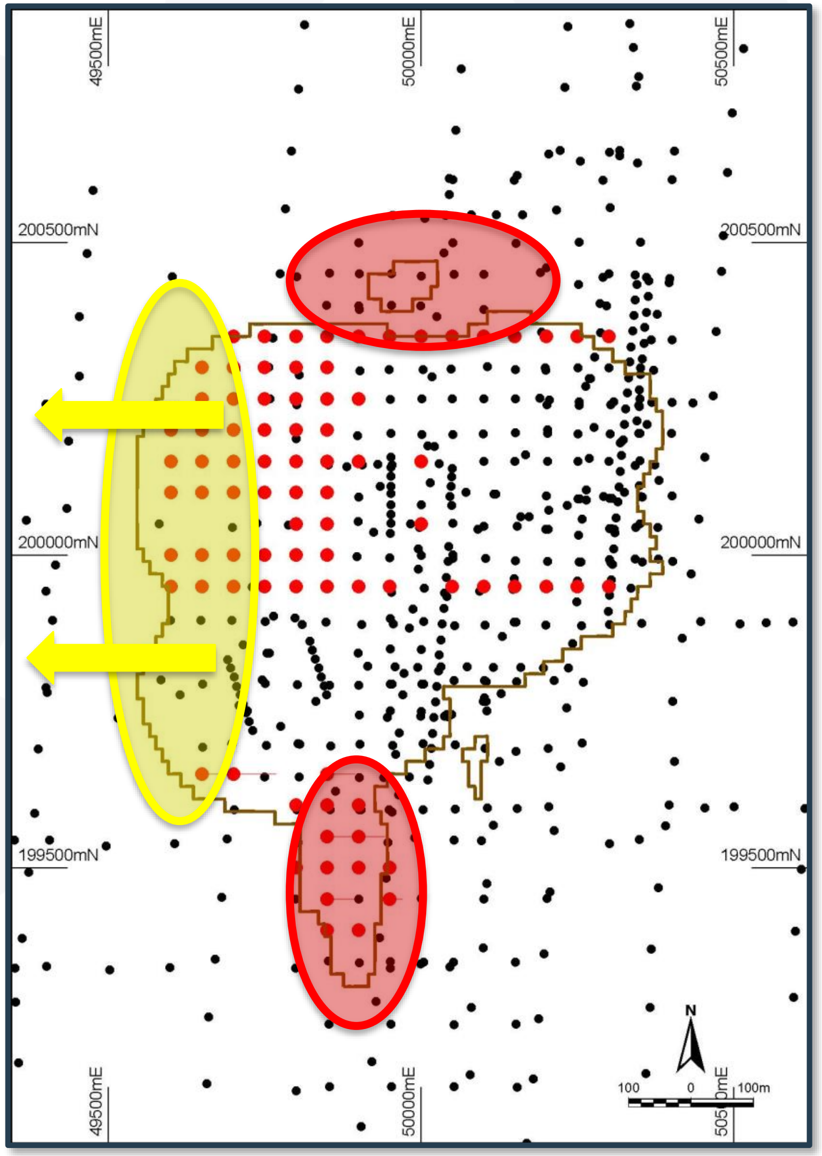


Strategy & Activities – Resource Extension

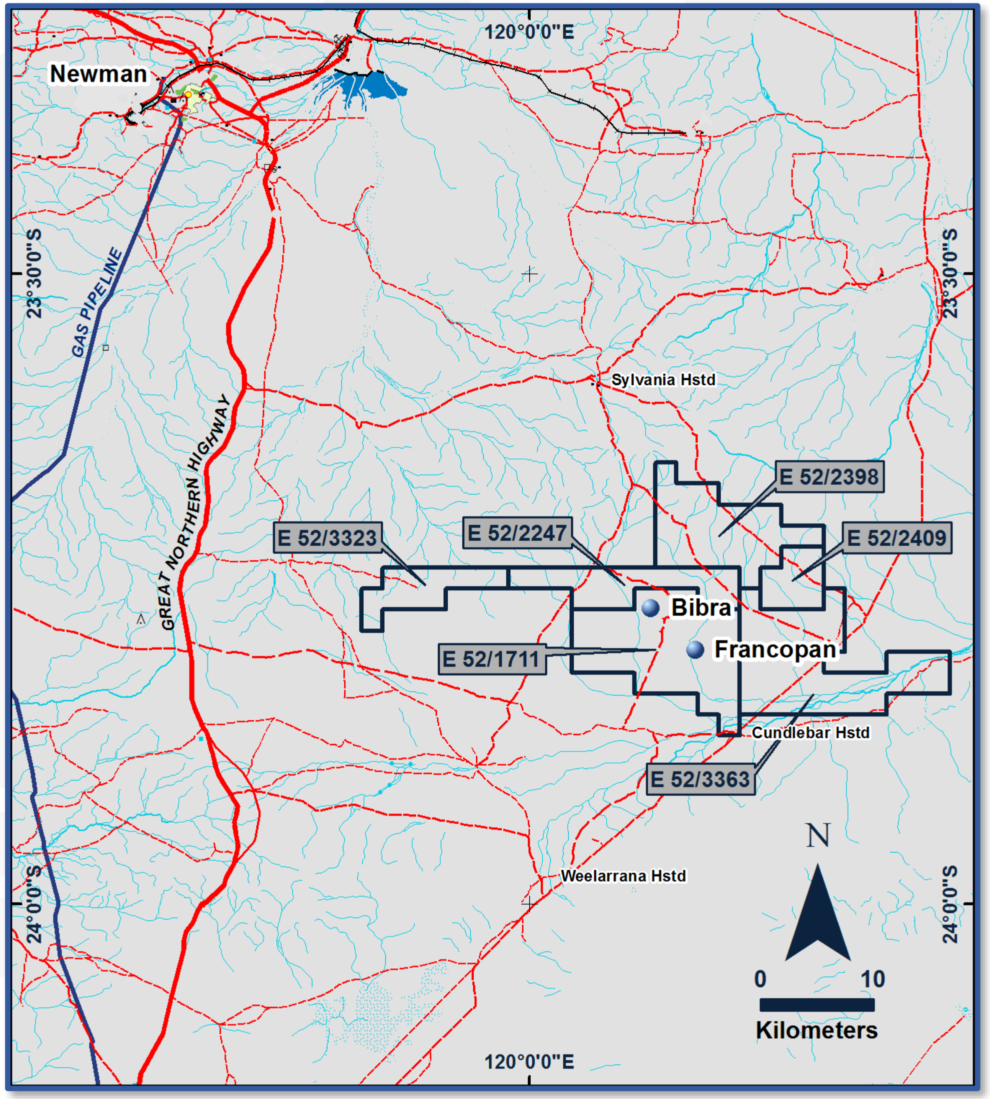
Bibra Gold Deposit

- Opportunity for major extensions to Bibra Deposit:
  - Along strike: Near-surface opportunities
  - Down-dip: Immediate extensions
  - Down-dip: High-grade shoots identified
  - At depth: Potential for stacked lodes
- Define large-scale mineralisation controls
  - Is this part of a larger gold mineralized system?
  - Targeting major high-grade deposits
- Develop concepts and targets for future drill testing



Strategy & Activities – Exploration
Regional

- Simple, consolidated, low-cost tenement package
- Large areas of Archaean greenstone under cover:
  - Shallow recent transported sediments
  - Bangemall Basin
- Comprehensive database for drill targeting:
  - 36,000m aircore drilling
- Two high priority prospects:
  - Francopan Prospect
  - K3 Prospect
- Development of programs underway



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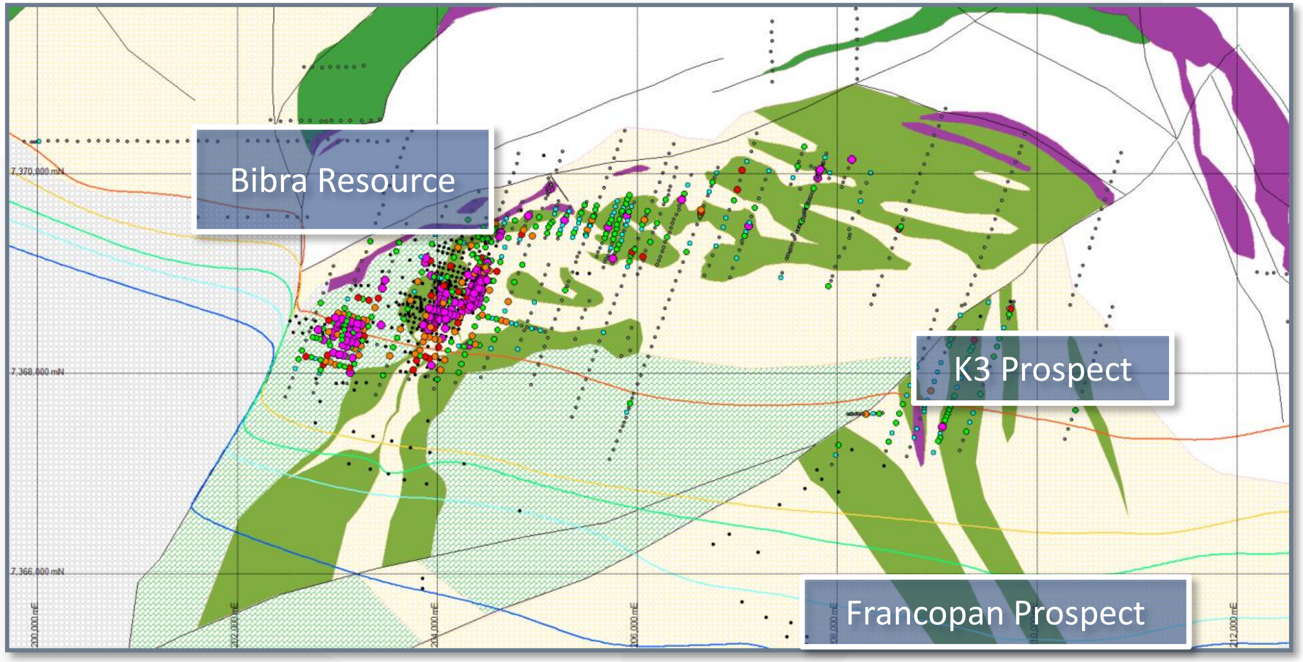
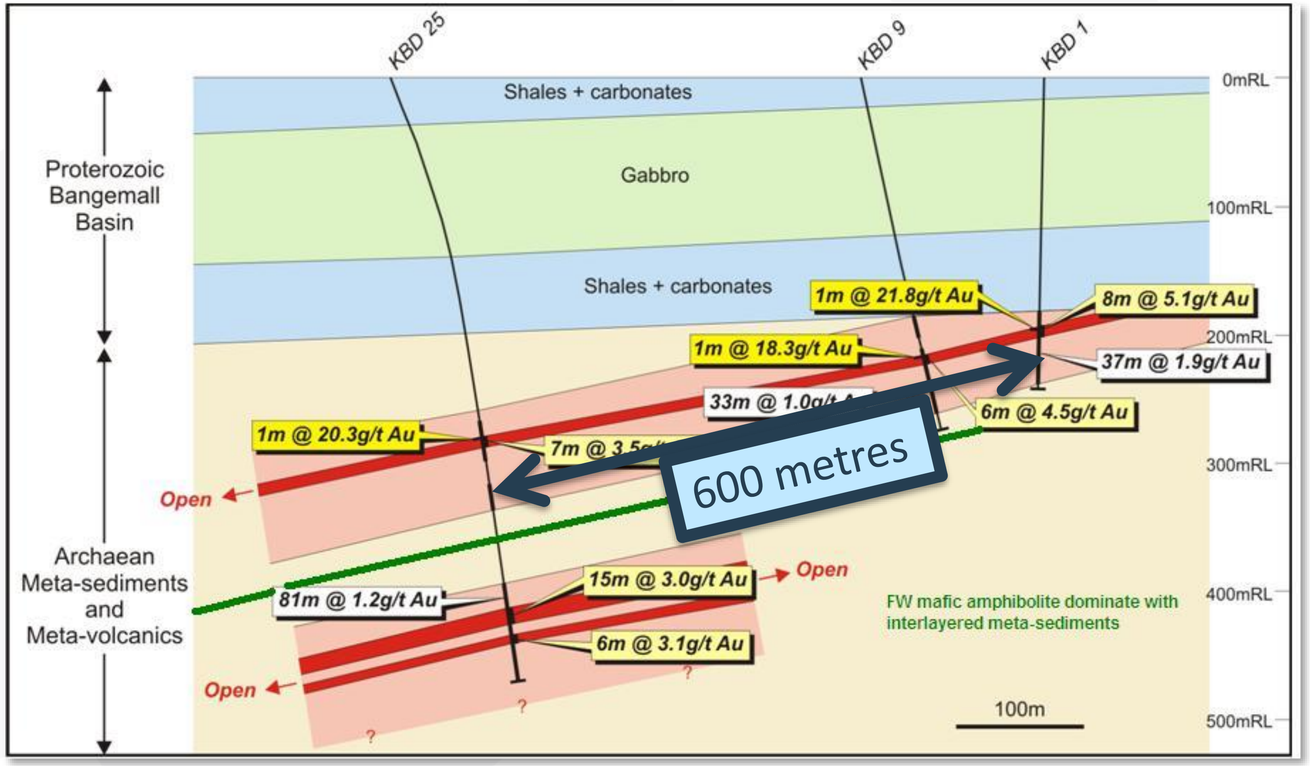


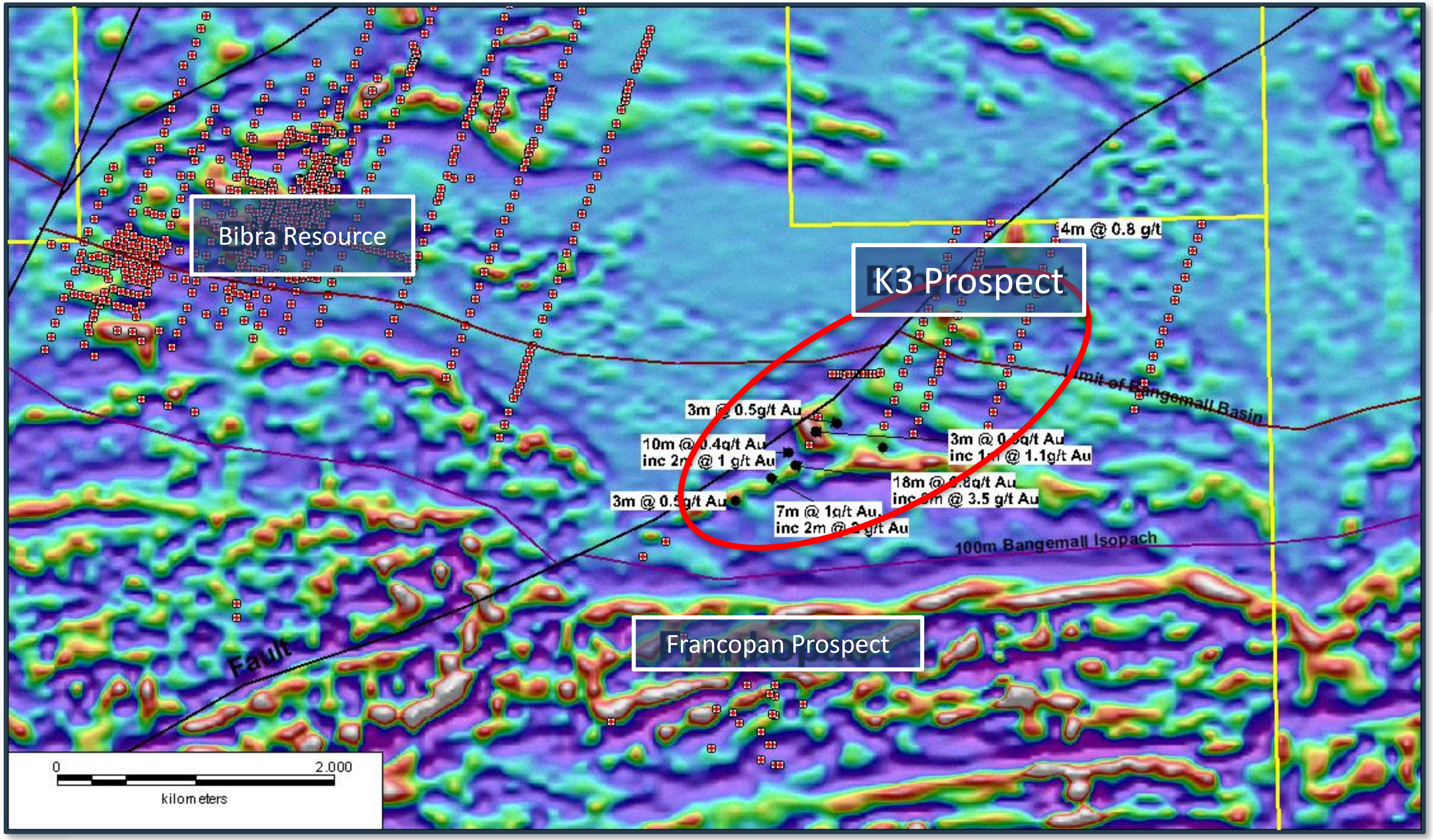
Strategy & Activities – Exploration
Francopan Prospect

- Original discovery by WMC Resources
- Limited wide spaced drilling
- Consistently mineralised: BIG SYSTEM?
- Broad mineralised zones with higher grade core:
  - KBD025: 81m @ 1.2g/t Au. Includes:
    - 7m @ 3.5g/t Au ***(1m @ 20.3g/t Au)***
    - 15m @ 3.0g/t Au
    - 6m @ 3.1g/t Au
  - KBD009: 33m @ 1.0g/t Au. Includes:
    - 6m @ 4.5g/t Au ***(1m @ 18.3g/t Au)***
  - KBD001: 37m @ 1.9g/t Au
    - 8m @ 5.1g/t Au ***(1m @ 21.8g/t Au)***
- OPPORTUNITY TO DEFINE HIGH GRADE UNDERGROUND RESOURCE



Strategy & Activities – Exploration

K3 Prospect



Summary

- Repositioned into quality WA gold opportunity
- Rapid pathway to production, risks well understood
- Resource expansion drilling program – 1 March 2016
- Resource update, Scoping Study mid-2016
- Initial funding in place – $1.5m placement and future asset sales
- Supportive cornerstone shareholders
- Experienced management team