



ISSUE OF PLACEMENT SHARES

TRANCHE ONE OF PLACEMENT TO CORNERSTONE INSTITUTIONAL AND SOPHISTICATED INVESTORS COMPLETED

ASX ANNOUNCEMENT

20 August 2019

ASX Code: CMM

ABN: 84 121 700 105

Board of Directors:

Mr Mark Clark
Executive Chairman

Mr Mark Okeby
Non-Executive Director

Mr Doug Jendry
Non-Executive Director

Mr Tim Kestell
Non-Executive Director

Mr Stuart Pether
Non-Executive Director

Issued Capital:

Shares 1,171M
Options 41.39M
Share Price A\$0.225
Market Cap. A\$263.4M

REGISTERED OFFICE:

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Capricorn Metals Ltd (ASX:CMM) (**Capricorn** or the **Company**) is pleased to advise that subsequent to the announcement on 13 August 2019, the Company has now issued a total of 125,426,127 fully paid ordinary shares (**Placement**) at an issue price of 16.0 cents per share to raise \$20.1 million before costs.

A total of 31,772,793 shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1 and a total of 93,653,334 shares were issued under the Company's additional 10% placement capacity pursuant to ASX Listing Rule 7.1A.

Proceeds of the Placement, together with Capricorn's existing cash resources will be utilised to:

- Optimise the previously announced development plans for Karlawinda;
- Completion of other pre-development and infrastructure activities;
- Pre-production mining works and deposits for long lead capital items;
- Construction of processing plant and associated infrastructure, targeted for commencement in the March 2020 quarter; and
- Ongoing exploration and working capital requirements.

Notice pursuant to s708a(5)(e) of the *Corporations Act 2001* and an Appendix 3B, are attached in respect of the Placement.

Additional disclosure under ASX listing Rule 3.10.5A

Capricorn provides the following information pursuant to ASX Listing Rule 3.10.5A in respect of the shares issued under the Company's 10% placement capacity pursuant to Listing Rule 7.1A:

1. 93,653,334 of the shares issued under the Placement are being issued pursuant to the Company's ASX Listing Rule 7.1A placement capacity (**7.1A Placement**). The shares issued represent 8% of the capital in the Company immediately after the first tranche of the Placement. Pre-placement shareholders' overall interests will therefore be diluted by 8% following the 7.1A Placement (however some existing shareholders are participating in the placement so their particular interests may have increased or been diluted to a lesser extent).
2. The following table provides details of participation by existing shareholders and new investors who are participating in the component of the placement issued under the Company's ASX Listing Rule 7.1A capacity:

Shares held by pre-placement shareholders who are not participating in the ASX Listing Rule 7.1A component of the placement	64%
Shares held by pre-placement shareholders who are participating in the ASX Listing Rule 7.1A component of the placement	31%
Shares held by new shareholders who are participating in the ASX Listing Rule 7.1A component of the placement	5%
Shares held by new shareholders who are participating in the ASX Listing Rule 7.1 component of the placement but are not participating in the ASX Listing Rule 7.1A component of the placement	-
Total	100%

3. The Company has issued the 93,653,334 shares under ASX Listing Rule 7.1A as it considers this to be the quickest, most efficient and most certain method for raising funds in the circumstances.
4. The placement was not underwritten.
5. The Company will pay to Argonaut Securities Pty Ltd a 3% capital raising fee and a 1% management fee on the funds raised pursuant to both tranches of the Placement (excluding the amount of the Hawke's Point Top Up Right). The Company has also incurred miscellaneous expenses including legal and listing fees in connection with the Placement.

For and on behalf of the Board

Mr Mark Clark
Executive Chairman

For further information, please contact:

Mr Mark Clark

Executive Chairman

Email: enquiries@capmet.com.au

Phone: (08) 9212 4600

DISCLAIMER

This announcement contains "forward-looking statements" and "forward-looking information", including statements and forecasts relating to CMM. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CMM and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.



20 August 2019

Market Announcements Platform
Australian Securities Exchange

NOTICE GIVEN UNDER SECTION 708A(5)(e) OF THE CORPORATION ACT

Capricorn Metals Ltd ACN 121 700 105 (ASX:CMM) (**Capricorn** or the **Company**) advises that it has today issued 125,426,127 fully paid ordinary shares at a price of 16.0 cents per share pursuant to tranche one of the placement announced on 13 August 2019.

In accordance with section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**), the Company gives notice that:

- (i) the above shares were issued without disclosure under Part 6D.2 of the Corporations Act;
- (ii) this notice is being given under paragraph 5(e) of section 708A of the Corporations Act;
- (iii) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act (as they apply to the Company) and section 674 of the Corporations Act; and
- (iv) as at the date of this notice, there is no 'excluded information' with respect to the Company for the purposes of sections 708A(7) and (8) of the Corporations Act.

An Appendix 3B reflecting the revised capital structure following the issue of the above securities has been released with this announcement.

Capricorn Metals Ltd

Natasha Santi
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

CAPRICORN METALS LTD

ABN

84 121 700 105

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | FULL PAID ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 125,426,127 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | THE TERMS OF THE NEW SHARES ARE THE SAME AS THE TERMS FOR THE EXISTING FULLY PAID ORDINARY SHARES IN CAPRICORN METALS LTD. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES
5	Issue price or consideration	\$0.16 PER SHARE
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	AS DESCRIBED IN THE ASX ANNOUNCEMENT LODGED WITH THE ASX ON 13 AUGUST 2019.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	YES
6b	The date the security holder resolution under rule 7.1A was passed	15 NOVEMBER 2018
6c	Number of +securities issued without security holder approval under rule 7.1	31,772,793
6d	Number of +securities issued with security holder approval under rule 7.1A	93,653,334
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NIL
6f	Number of +securities issued under an exception in rule 7.2	NIL

+ See chapter 19 for defined terms.

6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	YES ISSUE DATE: 20 AUGUST 2019 ISSUE PRICE: \$0.16 15 DAY VWAP: \$0.169 BASED ON TRADING DAYS OF RECORDED TRADES PRIOR TO THE DATE THE ISSUE PRICE WAS AGREED (13 AUGUST 2019). 75% OF 15 DAY VWAP: \$0.127 SOURCE: IRESS	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 Remaining 15%: NIL 7.1A Remaining 10%: NIL	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	20 AUGUST 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,170,666,679	CMM ORDINARY SHARES
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		6,000,000	\$0.10 OPTIONS EXPIRY 31/05/2020
		2,500,000	\$0.20 OPTIONS EXPIRY 31/05/2020
		28,490,028	\$0.147 OPTIONS EXPIRY 05/05/2021
		3,400,000	\$0.15 OPTIONS EXPIRY 05/05/2021
		1,000,000	\$0.097 OPTIONS EXPIRY 23/11/2021
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought		
39	+Class of +securities for which quotation is sought		
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)		
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

+ See chapter 19 for defined terms.

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 20 August 2019
(Company secretary)

Print name: Natasha Santi
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	747,936,325
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	32,508,128 (Share Purchase Plan 27/02/2019) 32,716,703 (Institutional Entitlement Offer 16/04/2019) 123,372,188 (Balance of Institutional Offer & Retail Entitlement Offer and Shortfall 07/05/2019)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	936,533,344

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	140,480,001
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	108,707,208 (05/07/19 – Placement) 31,772,793 (20/08/19 – Placement)
“C”	140,480,001
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	140,480,001
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	140,480,001
Total [“A” x 0.15] – “C”	0 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

⁺ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	936,533,344
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	93,653,334
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	93,653,334 (20/08/2019 – Placement)
“E”	0

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	93,653,334
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	93,653,334
Total [“A” x 0.10] – “E”	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.