

ACTIVITIES REPORT JUNE QUARTER 2020



HIGHLIGHTS

- Development of Karlawinda Gold Project (KGP) progressing with plant commissioning targeted to commence in the March 2021 quarter and first gold production to follow in the June 2021 quarter.
- Increased crushing capacity has been achieved in the final design process by up scaling and modifying equipment selection and associated structures.
- Review indicates that the optimised crushing and grinding circuit has the capacity to achieve throughput of:
 - Up to 4.5 – 5.0 mtpa in the oxide/fresh ore blend in the first 3 years; and
 - Up to 4.0 - 4.5 mtpa in solely fresh rock ore in years four and beyond.
- Expected throughputs are higher than the 3.5 – 4.0 mtpa previously reported.
- Allowance in design for additional leaching capacity to cater for increased throughput.
- Capricorn to construct an airstrip on site to deliver operational efficiencies by reducing Capricorn and mining contractor shift change downtime over life of mine.
- Significant progress on the development of the Karlawinda Gold Project including:
 - 306-room accommodation village now operational;
 - Practical completion of the site access road;
 - Key project contracts executed including gas transportation and power supply;
 - Commencement of engineering design for gas lateral pipeline with order placed for line pipe in June 2020;
 - Mechanical and electrical plant design advancing;
 - Commencement of CIL tank erection;
 - Significant concrete and civil earthworks completed including the main foundation for the ball mill;
 - Pre-mining earthworks commenced; and
 - Commencement of grade control drilling on Stage 1 pit.
- Current capital cost estimate \$165 - 170 million including modifications for higher throughput and airstrip. During the quarter \$18.8 million was spent on KGP development.
- Cash at bank of \$45.7 million at end of quarter with debt and bank guarantee facility of \$100 million

HIGHLIGHTS (CONTD)

- Significant work flows planned for the September 2020 quarter include:
 - Completion of the CIL tank erection and commencement of structural and plate steel work installation;
 - Mill and crusher area structural and plate steel fabrication;
 - Placing initial key long lead electrical equipment orders including transformers and MCCs; and
 - Tender and award of the mining services contract.
- Updated Ore Reserve and Mineral Resource Estimate released during the quarter.
 - Ore Reserves increase by 35% to 1,201,000 ounces from 892,000 ounces.
 - Mineral resources increase by 41% to 2,145,000 ounces from 1,525,000 ounces.
- 20,000 metre exploration drill programme delayed due to COVID-19 restrictions affecting access for heritage clearance. Clearance work now underway and programme will start in previously cleared areas in the current quarter.
- Soil sampling programme completed across 538 square kilometres of regional exploration tenure emphasise the potential for new areas of gold mineralisation.



JUNE 2020 QUARTER ACTIVITIES SUMMARY

Capricorn Metals Ltd (Capricorn) is constructing the wholly owned Karlawinda Gold Project (KGP) located 65 kilometres south-east of Newman in the Pilbara region of Western Australia.

Karlawinda Gold Project Development

As announced 27 July 2020, Capricorn's significant plant design and equipment selection efforts have led to the potential for a higher throughput processing capacity. With the potential to process up to 5 million tonnes of ore per annum in the first three years of the project this should have positive implications for production, payback and overall project economics. The implications of this work and the decision to pursue operational efficiencies through the construction of a site airstrip are outlined below.

Provision for Higher Plant Throughput

Increased crushing capacity has been achieved during the final design process, by increasing the size of some conveyor and feeder drives, changing to a multi slope (banana) tertiary sizing screen and modifying (up scaling) associated structures. Review of the up scaled crushing and grinding circuit (CGC) and the likely oxide/fresh ore blend to be mined in the first three years of the mine life indicates that the throughput capacity of the CGC is likely to be higher than the 3.5 – 4.0 mtpa previously reported. The review indicates throughput capacity of the CGC of up to 4.5 – 5.0 mtpa in the first three years of the mine life and up to 4.0 - 4.5 mtpa in solely fresh rock ore in years four and beyond.

To cater for this increased potential CGC throughput capacity, Capricorn has also decided to make allowances in the plant design and layout for the possibility that increased ore leaching capacity may be required. These allowances in plant design and layout will provide sufficient leaching residency time to achieve target gold recoveries at the higher throughput. This will involve completing concrete foundations and modifying the plant layout to provide space for the addition of two more CIL tanks to the current six tank configuration.

Achievement of higher throughput levels is subject to amendments to regulatory approvals that will be applied for in due course.

Minesite Airstrip

The board has also approved the construction of an airstrip at the KGP to facilitate Capricorn and contractor staff being able to arrive direct to site via a charter airline service rather than on commercial airlines through Newman (85 kilometres by road). The cost of the airstrip is expected to be in the order of \$5 million and will be a 2,000 metre Code 3C certified aerodrome, rated to land up to 100 seat jet aircraft. This capital investment is expected to generate significant return for Capricorn through increased operational efficiencies and reduced down-time in earthmoving contractor shift changes.

Revised Capital Cost Estimate

The current capital cost estimate for the development of the KGP, including the modifications to facilitate the higher throughput of up to 5mtpa and the construction of the airstrip is in the range of \$165 – 170 million (previously \$145 – 155 million). At the end of June 2020, Capricorn had spent \$37.3 million of this forecast cost.

Project Development Update

During the June 2020 quarter, the Company continued exploration and development activities as detailed below.



Accommodation Village

Significant progress was made on the installation of the 306-room accommodation village with plumbing, electrical and concreting work being completed during the quarter. The project's construction workforce commenced occupying the village in April 2020.



Installation of the accommodation village and communications tower

Engineering and Procurement

Engineering and plant design works for the KGP continued during the quarter with detailed mechanical design approximately 80% complete and electrical design work progressing. During the quarter Capricorn placed orders for the remaining key process plant equipment including slurry pumps, cyclones, conveyor drives and cone crusher feeders.

The first structural and plate steel packages were ordered for the reclaim area, goldroom and top of tank steel and rear access. Delivery of top of tank steel work has commenced and is scheduled to be completed by the end of July 2020. Shop detailing of the mill and cyclone tower areas was commenced.



Ball mill head and girth gear manufacture

The Company continued to liaise with all key equipment suppliers during the quarter with no additional delivery delays due to the global COVID-19 pandemic identified.

Site Access Road

Construction of the 44 kilometre site access road from the Great Northern Highway commenced in the March 2020 quarter and is expected to be completed and operational in July 2020. Completion of the access road will reduce travel time to Newman to less than one hour and will facilitate delivery of equipment and supplies during construction and operation.



Access road

Site Works

Construction of the processing plant commenced in the June 2020 quarter with the following activities undertaken:

- Commenced erection of CIL processing tanks;
- Concrete foundation poured for the 7.5MW ball mill;
- Completion of the maintenance workshop;
- Clearing of the plant site continued and preliminary civil earthworks for the three-stage crushing circuit were completed. Clearing and topsoiling of the Tailings Storage Facility (TSF) and first stage of the Integrated Waste Landform (IWL) was nearing completion by the end of the quarter; and
- Grade control drilling commenced on the Stage 1 Bibra open pit at the end of June 2020.



Processing plant construction progress



Concrete foundations for ball mill and CIL tank construction



Fine ore stockpile tunnel concrete footing



Maintenance workshop, maintenance office concrete foundation and stores shed erection



Pouring of concrete foundation for ball mill



Ball mill foundations



Clearing and topsoil removal for the TSF/IWL

Operational Supply Contracts

In the June 2020 quarter the Company entered into agreements with APA Group for the transportation of gas from the Goldfields Gas Pipeline (GGP) to the KGP. As part of the agreement APA will also build, own and operate the lateral pipeline that links the GGP to the KGP. It is expected that approximately 3Tj of gas per day will be transported through the pipeline for power generation at the mine site.

During the quarter APA commenced the engineering design work for the lateral pipeline and placed the order for the line pipe which is expected to arrive in Australia in December 2020.

The Company also executed a power supply agreement with Contract Power Australia Pty Ltd (Contract Power) during the quarter. Under the terms of the agreement, Contract Power will build, own and operate a 16MW gas fuelled power station with 2MW of diesel back-up.

A tender process for the open pit mining and associated works contract commenced during the quarter with prospective contractors attending a site visit in July 2020. A decision on the contract award is expected in the September 2020 quarter.

Development Outlook - September 2020 Quarter

Development activities at KGP in the September 2020 quarter will include various key work streams being progressed including:

- Continuation of mechanical and electrical plant design;
- Ordering of reagents and services equipment such as compressors, water and reagent pumps as well as remaining minor process equipment such as tramp metal magnets, conveyor rollers, pulleys and belts;
- Issuing further orders for structural and plate steel fabrication works;
- Order plant transformers and electrical motor control centers (MCCs) with associated switch boards.
- Continue civil and concrete works including the crusher and power station;
- Complete tank construction and commence installation of top of tank steelwork; and
- Complete the tender and award of the mining services contract.

Reserves and Resources

In April 2020 the Company released an updated reserve and resource statement for the KGP. Drilling at both Bibra and Tramore deposits contributed to a significant increase in KGP Ore Reserves to 1,201,000 ounces. Inhouse open-pit optimisations helped to target the drilling areas that would likely result in increased Ore Reserves through conversion of Inferred resources to Indicated.

The KGP JORC compliant Ore Reserves estimate updated to 43.5 million tonnes at 0.9g/t gold for 1,201,000 ounces compared with the May 2018 estimate of 27.6 million tonnes at 1.0g/t gold for 892,000 ounces.

Based on the updated Ore Reserve estimate:

- Contained gold increases by 309,000 oz (35%) from the 2018 estimate to 1,201,000 oz.
- Stripping ratio (waste:ore) reduces significantly from 4.8 to 3.6.
- Expected project life increases from 9 years to 12 years.
- Estimate uses lower cut-off grades of 0.3g/t (laterite & oxide ore) and 0.4g/t (transition & fresh ore) which capture additional economic ore at the gold price of A\$1,600 per ounce (circa A\$1,000/oz lower than current spot price) that was used for the Ore Reserve pit shells.
 - Mine scheduling will be designed to deliver the >0.5g/t mined ore to the mill and the 0.3 – 0.5g/t mine ore to a stockpile for processing in later years of the project.

- The >0.5g/t ore within the Ore Reserve is 32.1 million tonnes at 1.0g/t for 1,047,000 ounces. This inventory alone is 155,000 ounces (17%) higher than the 2018 Ore Reserve Estimate of 892,000 ounces at the same grade (1.0g/t) and similar strip ratio of 5.2* (2018: 4.8).
- At expected plant throughput rates of 3.5 – 4.0mtpa the >0.5g/t mine to mill schedule should deliver gold production of 105,000 – 120,000 ounces per annum.
- The updated estimate has reduced the number and complexity of geological domains in the Ore Reserve and as a result is expected to deliver a block model more “fit for purpose” for the large scale equipment and mining processes to be used in the practical open pit mining environment.
- Maximum vertical depth of Ore Reserve open pit design is less than 250 metres.

The recent drilling also contributed to a significant increase in the KGP Mineral Resource Estimate to 2,145,000 ounces. The KGP JORC compliant MRE updated to 86.7 million tonnes at 0.8g/t gold for 2,145,000 ounces compared to the May 2018 estimate of 51.0 million tonnes at 0.9g/t gold for 1,525,000 ounces. This is a 620,000 ounce (41%) increase.

The MRE was estimated using a gold price of A\$2,000 per ounce (circa A\$600/oz lower than current spot price). In the current very strong gold price environment and with the low stripping ratio of the current Ore Reserve it is very encouraging to note that the 937,000 ounces of the MRE that are currently not included in the Ore Reserve Estimate are primarily located immediately down dip of the current pit design.

The maximum vertical depth of the MRE pit shell is 312 metres.

It is expected that these resources will be assessed for addition to the Ore Reserve once the project is operational and a steady state operating cost structure has been established. Any decision to proceed with cut-backs to access additional economic material in the MRE would not need to be made until the middle years of the current 12 year mine life.

This presents significant growth potential to the current mine plan.

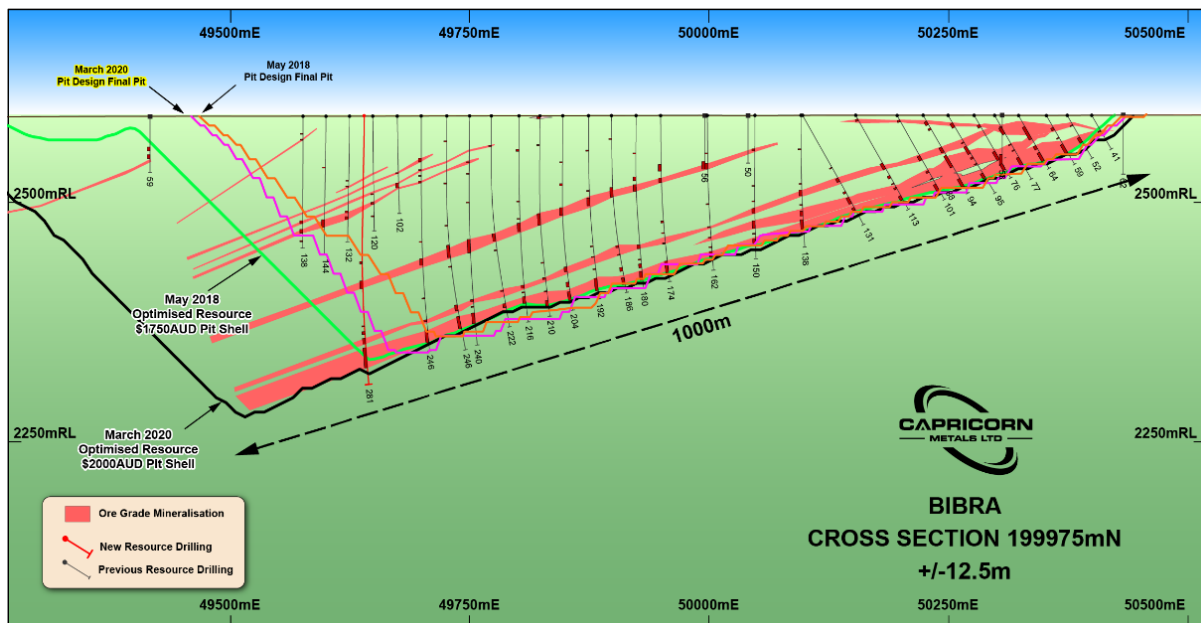


Figure 1: Karlawinda Ore Reserve Bibra Pit and Resource shell cross section

Exploration

Capricorn wholly owns a 2,042 square kilometre tenement package at Karlawinda which includes the greenstone belt hosting the 2.1 million ounce Resource and 1.2 million ounce Reserve Bibra gold deposit and further significant greenstone areas. Due to the location of the project, in the Pilbara region of Western Australia (a region not historically explored for gold), very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit (Figure 1).

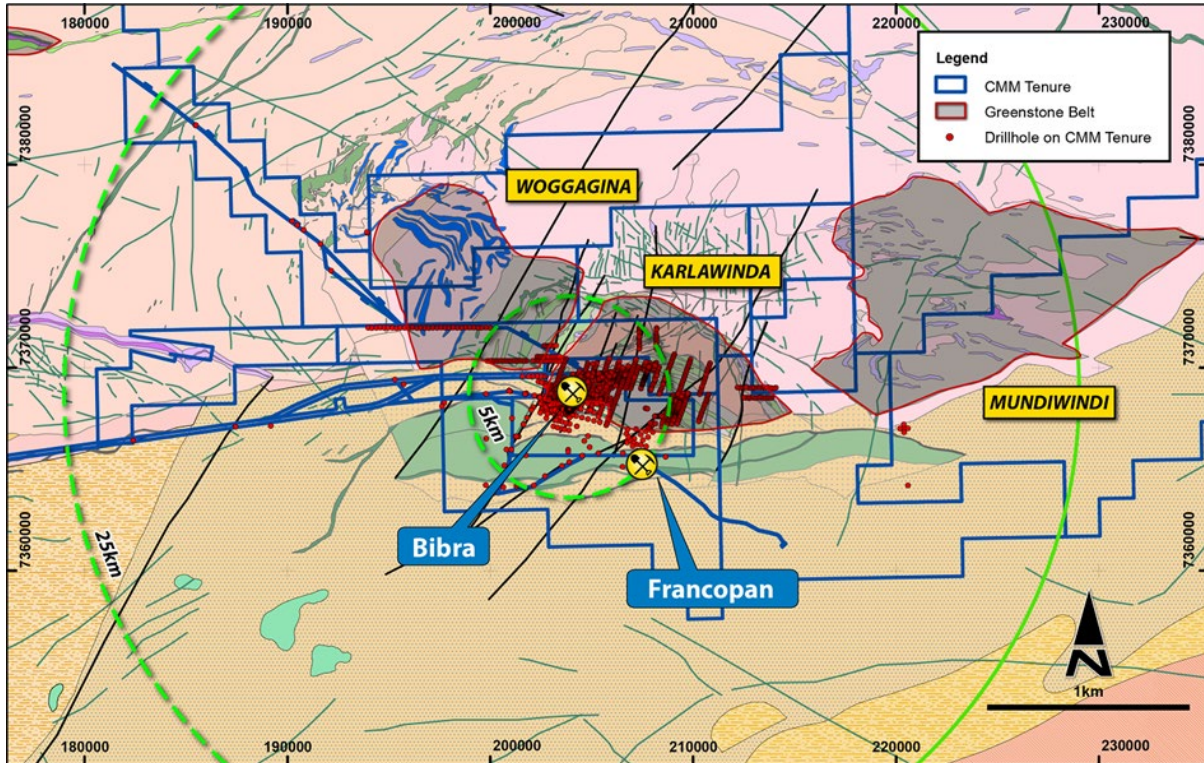


Figure 1: Capricorn drilling on CMM tenements surrounding the Bibra deposit

Sterilisation Drilling

During the quarter Capricorn completed 31 RC drillholes for 4,038m. The purpose of this drilling was to sterilise the area between Southern Corridor (SC) pit and the planned location of the southern waste dump, with some holes also drilled for water exploration (Figure 2). The holes directly south along strike from SC pit included intercepts similar to those within the SC pit, showing good along strike continuity. The depth of the Bangemall Basin cover (devoid of gold) is approximately 70m in this area, which deepens towards the south. Infill drilling will be completed around the significant intercepts to enable more accurate estimation of the gold mineralisation in the area and whether any modifications are required on the planned waste dump to allow for pit extensions.

Significant results received include:

- 12m @ 1.83g/t from 115m (KBRC1401)
- 22m @ 0.96g/t from 139m (KBRC1401)
- 6m @ 1.81g/t from 97m (KBRC1399)
- 7m @ 1.47g/t from 158m (KBRC1398)

Further details of the completed drilling are provided in Appendix 2.

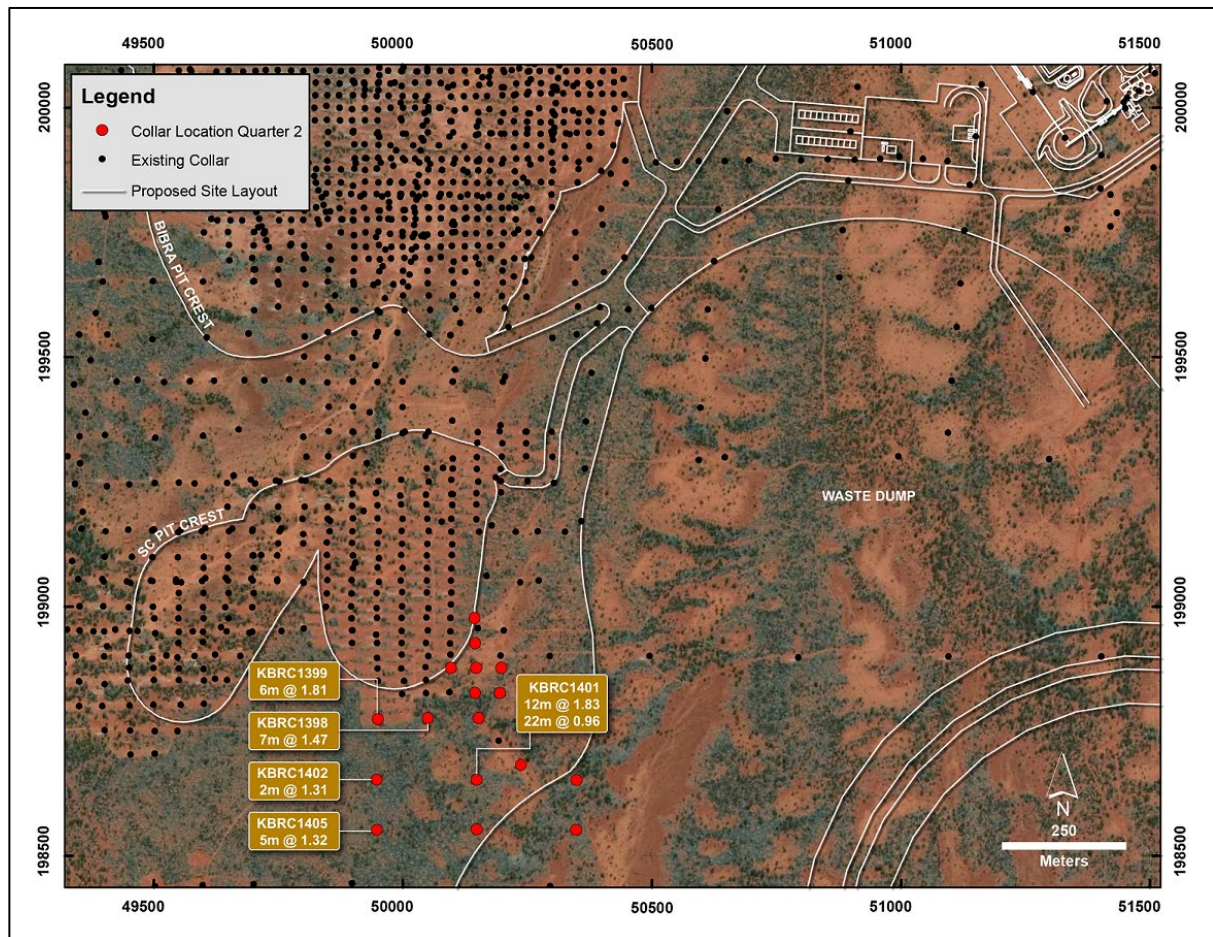


Figure 2: Capricorn drilling for the quarter with proposed site layout

Soil Sampling

A soil sampling programme was completed during the quarter across an area of 538 square kilometres of regional exploration tenure. A total of 2,475 samples were collected on a grid pattern ranging from 400m by 400m to 1600m by 400m. Although the results to date are preliminary the programme has emphasised the potential for new areas of gold mineralisation with the identification of several priority geochemical targets (Figure 3). Pleasingly these targets correlate with areas of mapped greenstone lithologies. Upon receipt of all results, the data will be reviewed and priority targets identified for follow-up work in the September 2020 quarter.

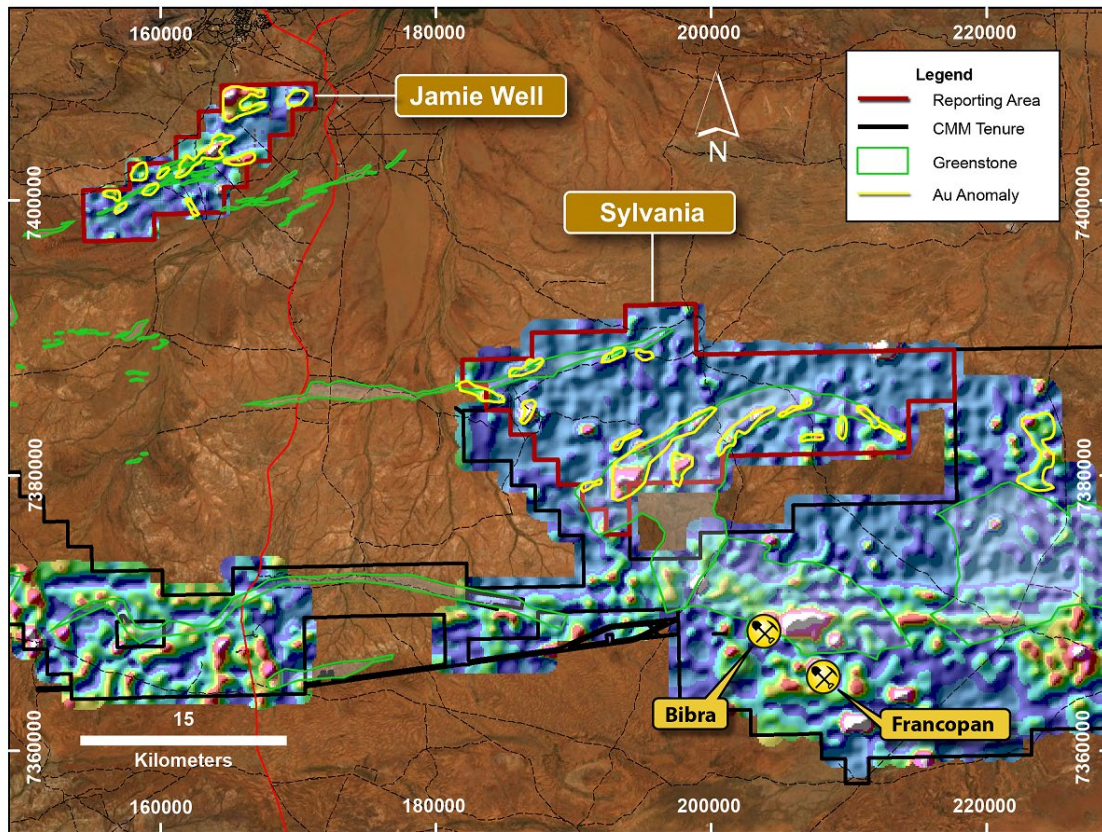


Figure 3: Soil sampling completed during the quarter with identified geochemical targets

Aircore Drilling Programme

A study of the geological, geophysical and geochemical datasets from Capricorn’s exploration activities identified 8 high-quality targets within a 15 kilometre radius of the Karlawinda processing plant. These 8 targets are located on geochemical anomalies with little to no historic drilling. The anomalies are in several cases coincident with major fault structures and geological contacts that contain gold mineralisation along strike.

Due to COVID-19 restrictions affecting heritage clearance, the proposed 20,000 metre drill programme scheduled to commence in the June quarter was delayed. However, an aircore drill rig has now been mobilised to site and is expected to commence drilling in the first week of August 2020. An 11,000m Aircore (AC) drilling programme has been planned, which is a subset of the 20,000m total program planned to test the 8 targets. The 11,000m (phase 1) programme falls within previously heritage cleared areas whilst a heritage survey over the remaining uncleared areas (phase 2) is currently being conducted. Figure 4 shows the two phases.

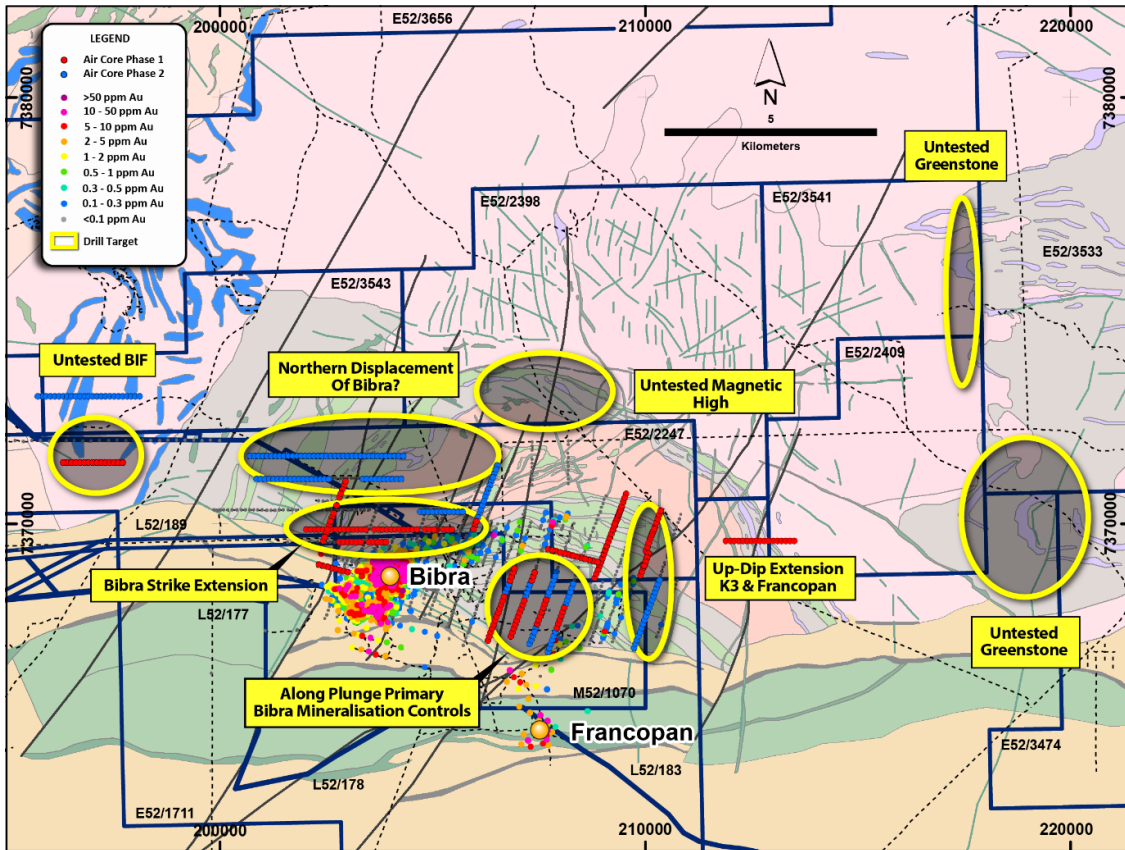


Figure 4: Phase 1 and 2 Aircore drill programs

Corporate

Financing

At the end of the June 2020 quarter, Capricorn had \$45.7 million in cash. \$18.8 million was spent on the development of the KGP during the quarter.

The Company has a \$100 million debt and bank guarantee facility with Macquarie Bank Limited and 200,000 ounces of flat forward gold hedging contracts at a flat forward price of A\$2,250 per ounce. Gold from production will be delivered into the hedging contracts at a rate of 10,000 – 12,000 ounces per quarter from June 2021 to September 2025.

During the June 2020 quarter the Company utilised \$2.5 million of the bank guarantee facility as part of the construction of the gas lateral pipeline to the KGP.

During the quarter, payments to related parties of Capricorn and their associates (being the Company's directors) totalled \$149,468. The payments were remuneration for their roles, including superannuation.

Tenements

A full listing of the Company's current tenement holdings, as at the date of this release, is included as Appendix 1.

For and on behalf of the Board

Kim Massey
Chief Executive Officer

For further information, please contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. Jarrad Price who is a full-time employee of the Company. Mr. Price is a current Member of the Australian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Price consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to the Company's Resources and Ore Reserves is extracted from the ASX announcement released on 17 April 2020 entitled "Gold Reserves Increase 35% to 1.2 Million Ounces". Competent Person's consents were obtained for the announcement.

The reports are available to view on the ASX website and on the Company's website at www.capmetals.com.au. The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources and Ore Reserves, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by subsequent report and accompanying consent.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

APPENDIX 1 – TENEMENT SCHEDULE

Australia:

Lease	Project	Company	Blocks ¹	Status	Date of Grant/ Application	Expiry
Tenements						
E52/1711	Karlawinda	Greenmount	33	Granted	05/08/2004	04/08/2020
E52/2247	Karlawinda	Greenmount	16	Granted	21/07/2009	20/07/2021
E52/2398	Karlawinda	Greenmount	15	Granted	28/04/2010	27/04/2022
E52/2409	Karlawinda	Greenmount	8	Granted	15/06/2010	14/06/2022
E52/3323	Karlawinda	Greenmount	11	Granted	11/03/2016	10/03/2021
E52/3363	Karlawinda	Greenmount	36	Granted	13/01/2017	12/01/2022
E52/3364	Karlawinda	Greenmount	44	Granted	07/03/2017	06/03/2022
E52/3450	Karlawinda	Greenmount	16	Granted	13/01/2017	12/01/2022
E52/3474	Karlawinda	Greenmount	128	Granted	03/07/2017	02/07/2022
E52/3533	Karlawinda	Greenmount	109	Granted	06/11/2018	05/11/2023
E52/3541	Karlawinda	Greenmount	7	Granted	28/03/2018	27/03/2023
E52/3543	Karlawinda	Greenmount	8	Granted	28/03/2018	27/03/2023
E52/3571	Karlawinda	Greenmount	10	Granted	18/09/2018	17/09/2023
E52/3656	Karlawinda	Greenmount	94	Granted	24/08/2018	17/02/2025
E52/3671	Karlawinda	Greenmount	26	Granted	02/07/2019	01/07/2024
E52/3677	Karlawinda	Greenmount	31	Application	07/12/2018	-
E52/3729	Karlawinda	Greenmount	51	Granted	17/02/2020	16/02/2025
E52/3797	Karlawinda	Greenmount	9	Application	31/01/2020	-
E52/3808	Karlawinda	Greenmount	6	Application	26/03/2020	-
Total Blocks			658			
Miscellaneous Licences						
L52/174	Karlawinda	Greenmount	22.17 ha	Granted	18/04/2018	17/04/2039
L52/177	Karlawinda	Greenmount	12.20 ha	Granted	08/12/2017	07/12/2038
L52/178	Karlawinda	Greenmount	21.41 ha	Granted	08/12/2017	07/12/2038
L52/179	Karlawinda	Greenmount	127.83 ha	Granted	28/05/2018	27/05/2039
L52/181	Karlawinda	Greenmount	1.00 ha	Granted	18/04/2018	17/04/2039
L52/183	Karlawinda	Greenmount	28.46 ha	Granted	03/05/2018	2/05/2039
L52/189	Karlawinda	Greenmount	1258 ha	Granted	10/04/2019	10/04/2040
L52/192	Karlawinda	Greenmount	220 ha	Granted	16/05/2018	28/09/2039
L52/197	Karlawinda	Greenmount	173ha	Granted	10/04/2019	10/04/2040
Mining Lease						
M52/1070	Karlawinda	Greenmount	2975.07 ha	Granted	23/11/2016	22/11/2037

Note:

- The area measurement for one block can vary between 2.8 – 3.2 km²

Madagascar:

Title Number	Permit Type	Grant Date	Expiry Date	Term (Years)	Project Name	Total Carres (New - 0.391km ²)	Interest %	Note
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	1
Total Carres						608		

Note:

- Leased to SQNY – Royalty and partial tenement fees payable to subsidiary Mada-Aust SARL.

APPENDIX 2 – SIGNIFICANT RESULTS

TABLE (1): Karlawinda Gold Project - Sterilisation Drilling Results								
Hole No	Easting	Northing	RL	Dip/Azi	From	To	Width	Grade (g/t Au)
KBRC1390	203920.301	7367773.177	588.415	-60/90	64	65	1	0.52
					78	82	4	0.89
					117	129	12	0.87
KBRC1391	203907.78	7367724.783	588.367	-60/90	67	69	2	1.48
					75	76	1	0.51
					110	116	6	0.84
					142	143	1	0.93
KBRC1392	203945.272	7367662.694	588.222	-60/90	73	74	1	1.19
					78	79	1	1.44
					85	86	1	0.67
					102	103	1	0.82
KBRC1393	203896.923	7367676.139	588.261	-60/90	80	81	1	0.53
					92	93	1	1.58
					103	106	3	0.61
					154	155	1	0.94
KBRC1394	203848.17	7367689.253	588.212	-60/90	111	112	1	1.03
					121	128	7	0.52
					141	142	1	0.63
KBRC1395	203930.18	7367615.056	588.099	-60/90	88	90	2	0.67
					101	102	1	0.51
					106	110	4	1.18
KBRC1396	203882.053	7367627.831	588.175	-60/90	79	80	1	1.15
					89	90	1	0.54
					121	122	1	0.58
KBRC1397	203875.535	7367577.349	587.983	-60/90	89	90	1	0.54
					97	98	1	0.61
					128	142	14	0.49
					183	184	1	0.51
KBRC1398	203776.925	7367604.062	588.04	-60/90	104	112	8	0.47
					158	165	7	1.47
					172	174	2	1.23
KBRC1399	203678.948	7367628.091	587.931	-60/90	75	77	2	0.59
					88	89	1	2.22
					97	103	6	1.81
					128	129	1	1.82
					169	170	1	0.62
					210	226	16	0.41
KBRC1401	203839.949	7367458.072	587.671	-60/90	95	96	1	1.02
					104	108	4	1.02
					115	127	12	1.83
					131	132	1	0.53
					139	161	22	0.96
					178	179	1	0.81
KBRC1402	203645.835	7367510.606	587.499	-60/90	112	113	1	1.48
					119	120	1	0.79
					177	179	2	1.31
KBRC1405	203619.607	7367413.341	587.32	-60/90	130	131	1	0.76
					139	141	2	1.28
					161	163	2	0.83
					167	172	5	1.32

APPENDIX 3 – JORC CODE, 2012 EDITION TABLE 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Drilling</p> <p>For Reverse Circulation drilling 2kg - 3kg samples are split from dry 1m bulk samples. The sample was collected through a cyclone and cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines through the cyclone chimney.</p> <p>RC Field duplicates were collected at a ratio of 1:20 through the mineralised zones (1:40 elsewhere) and collected at the same time as the original sample through the B chute of the cone splitter. Matrix matched CRMS and OREAS certified reference material (CRM) were inserted at a ratio of 1:20 through the mineralised zone (1:40 elsewhere). The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.</p> <p>Samples were sent to the laboratory where they were pulverised to produce a 50 g charge for fire assay.</p> <p>Soils</p> <p>Soil sampling was conducted during June 2020. Samples were collected on 400x400m and 1600mx400m grids and consisted of removing approximately 3.0kg of soil material from between 10cm and 30cm below surface. Samples were sieved to -177 microns to create a fine fraction sample generally 100g to 250g in weight for assay and dispatched to Intertek Genalysis Laboratory.</p> <p>Capricorn Metals inserts field duplicates at a ratio of 1:50 and are collected as a separate sample in close proximity to the original sample. OREAS certified reference material (CRM) was inserted at a ratio of 1:50 through sample population. The grade ranges of the CRM's were selected based on typical anomalous soil geochemical levels.</p> <p>Fine fraction soil samples were dispatched in 100g to 250g samples to Intertek Genalysis Laboratories in Perth. Samples were directly analysed without sample preparation. The determination of gold was by 0.5g aqua regia Ultima 53 element package with a 0.1ppb Au detection limit (AR005/MS53Au).</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<p>Drilling</p> <p>A Profile Drilling drill rig was used to drill the RC drill holes: Hole diameter was 140mm (5.5").</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Drilling</p> <p>Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines through the cyclone chimney.</p> <p>At the end of each metre the bit was lifted off the bottom to separate each metre drilled.</p> <p>The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery. There is no obvious relationship between sample recovery and grade.</p>
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. 	<p>Drilling</p> <p>Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chip trays were stored on site in a sealed container. Chips were visually inspected and logged by an on-site geologist to record lithology</p>

	<p>Core (or costean, channel, etc.) photography.</p> <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<p>(including rock type, oxidation state, weathering, grain size, colour, mineralogy, and texture), alteration, mineralisation, veining, structure, sample quality (dry/wet, contamination) and approximate water flow down hole. Mineralisation, veining and water flow were quantitative or semi-quantitative in nature; the remainder of logging was qualitative.</p> <p>Magnetic susceptibility was measured in 1m intervals.</p> <p>Soils</p> <p>Comments on lithology and regolith features. Electronic recorded logging has been captured. Logging is qualitative in nature and captured regolith environment comments.</p>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Drilling</p> <p>For RC holes samples were split from dry, 1m bulk samples via a cone splitter directly from the cyclone.</p> <p>Field duplicates were collected at a ratio of 1:20 through the mineralised zones (1:40 elsewhere) and collected at the same time as the original sample through the B chute of the cone splitter.</p> <p>OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone (1:40 elsewhere). The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.</p> <p>The duplicates and CRM's were submitted to the lab using unique sample ID's.</p> <p>2kg – 3kg RC samples are submitted to the laboratory.</p> <p>Samples are oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg. Samples were then pulverised in LM5 mills to 85% passing 75µm under sample preparation code EX03_05 which consists of a 5-minute extended preparation for RC/Soil/RAB. The extended time for the pulverisation is to improve the pulverisation of samples due to the presence of garnets in the samples.</p> <p>All the samples were analysed for Au using the FA50/MS technique which is a 50g lead collection fire assay.</p> <p>This sample preparation technique is appropriate for the Karlawinda Project; and is standard industry practice for a gold deposit.</p> <p>Quality control for maximising representivity of samples included insertion of field duplicates and laboratory duplicates.</p> <p>Soils</p> <p>Samples were collected by removing approximately 3.0kg of soil material from between 10cm and 30cm below surface. Samples were sieved to -177 microns to create a fine fraction sample generally 100g to 250g in weight for assay. Samples were dry.</p> <p>Fine fraction soil samples were sent to an accredited laboratory for analysis. No sample preparation was completed to minimise contamination.</p> <p>Field duplicates were submitted to the laboratory at a rate of 1:50 and were collected as a separate sample in close proximity to the original.</p> <p>The sample sizes are believed to be appropriate to correctly represent the style of gold mineralisation present in the regolith profile in the Sylvania Inlier.</p>
<p>Quality of assay data and</p>	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<p>Drilling</p> <p>Drilling samples were submitted to Intertek and Aurum</p>

<p>laboratory tests</p>	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>laboratories in Perth. RC samples were assayed by a 50gm fire assay which is a total assay.</p> <p>Field duplicates were collected at a ratio of 1:20 through the mineralised zones (1:40 elsewhere) and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone (1:40 elsewhere). The grade ranges of the CRM's were selected based on grade populations and economic grade ranges.</p> <p>Soils</p> <p>0.5g aqua regia ultima 53 Element Package is considered appropriate assay for multielement assay for the Karlawinda Project.</p> <p>Capricorn Metals sampling, OREAS certified reference material (CRM) was inserted at a ratio of 1:50. The grade ranges of the CRM's were selected based on historical grade populations for soil samples in the region.</p>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Drilling</p> <p>Logging and sampling were recorded directly into a Micromine field marshal template, which utilises lookup tables and in file validation on a Toughbook by the geologist on the rig. Validated data was sent to the database administrator in Perth who then carried out independent verifications using Maxwell's Dashed.</p> <p>Assay results when received were plotted on section and were verified against neighbouring holes.</p> <p>QAQC reports were generated on a hole-by-hole basis by the database administrator as results were received.</p> <p>Any failure in company QAQC protocols resulted in follow-up with the laboratory and occasional repeat of assays as necessary.</p> <p>Soils</p> <p>Assay results when received were plotted on plan and were verified by Capricorn Metals employees.</p> <p>Capricorn Metals sampling, data collection in field is captured in an electronic logging system for geological, regolith, sample id, assay and surveying information.</p>
<p>Location of data points</p>	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Drilling</p> <p>Drillhole collar positions were surveyed before and after drilling using a Trimble RTK system, comprising an R10-2 Base and Receiver and a Trimble TSC3 Data Collector. The Base was set up on KB01 located on "Laterite Hill", which was adopted as control for the surveys. All surveys were checked against and closed off on KB01DRM to ensure accuracy. Drillhole location data was initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work.</p> <p>Down hole surveys were undertaken on 30m increments from end of hole, using a Reflex down hole gyroscopic tool.</p> <p>Soils</p> <p>Sample locations were established and verified using hand held GPS.</p>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>RC Samples were collected and analysed for each metre down the hole.</p> <p>Hole spacing was 100m N x 200m E, sufficient for sterilisation purposes.</p> <p>Soils</p> <p>Regional soil sample locations on a nominal 400m by 400m or</p>

		1600m by 400m grid.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	Drilling Drill lines are oriented across strike on a local grid. Bibra orebody dips at 20 to 30 degrees to the North West. Holes in the drill programs have been drilled at inclination of -60 degrees. The orientation of the drilling is suitable for the mineralisation style and orientation of the Bibra mineralisation.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	Drilling Calico sample bags are sealed into green bags/polyweave bags and cable tied. These bags were then sealed in bulka bags by company personnel, dispatched by third party contractor, in-company reconciliation with laboratory assay returns. Soils For the Capricorn Metals sampling, sample packets are sealed into cardboard boxes and then packaged in green plastic bags and taped up. The samples were dispatched by third party contractor. Box and sample delivery is matched between company data and laboratory assay returns.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	Program reviewed by company senior personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>The Karlawinda Project is located in the Pilbara region of Western Australia on tenements M52/1070, E52/1711, E52/2247, E52/2398, E52/2409, E52/3323, E52/3363, E52/3364, E52/3450 held by Greenmount Resources Pty Ltd, a wholly owned subsidiary of Capricorn Metals.</p> <p>The soil sampling was completed on E52/3656, E52/3671 and E52/3729.</p> <p>The sterilisation/water exploration drilling was undertaken on M52/1070, which is within the area of granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. South32 (via the spin-out from BHPB) retain a 2% NSR whilst BHPB a claw-back provision whereby BHPB can elect to acquire a 70% equity in the project only if JORC compliant reported resources of 5,000,000 ounces of gold and/or 120,000 tonnes of contained nickel have been delineated. The Nyiyaparli People hold Native Title over the area including E52/1711 and M52/1070. There is no known heritage or environmental impediments over the area being explored and heritage surveys are undertaken by the Nyiyaparli People prior to exploration work being undertaken.</p> <p>No other known impediments exist in the area.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	Prior to Capricorn Metals, the tenement was held by Independence Group NL (IGO) who undertook exploration between 2008 & 2014. Prior to Independence Group, WMC (BHP) explored the area from 2004 to 2008
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	Bibra is part of a large-scale Archaean aged gold mineralized system. The resource is hosted within a package of deformed meta-sediments which has developed on at least two parallel, shallow dipping structures; Laterite oxide mineralization has developed over the structures close to surface. The primary mineralization is strata-bound with lineations identified as controlling higher-grade shoots. The deposit is oxidized to average depths of 50-70m.

<p>Drill hole Information</p>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>Please See Table 1 for Results</p>
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>Drilling</p> <p>Reported intercepts include a minimum of 0.5g/t Au value over a minimum length of 1m with a maximum 3m length of consecutive internal waste. No upper cuts have been applied.</p>
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>Drilling</p> <p>At Karlawinda, the geometry of the mineralisation has already been defined from previous drilling programs. The intersection angle between drill angle and the perpendicular angle to the ore zone is less than 10 degrees.</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<p>Refer to the diagrams in the body of this report and within previous ASX announcements.</p>
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<p>The accompanying document is a balanced report with a suitable cautionary note.</p>
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<p>No other substantive exploration data is available to report.</p>
<p>Further work</p>	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>Further Drilling has been designed to follow up the current sterilisation drilling to further define the mineralised zone. The soil sampling data will be reviewed with the aim of generating drill targets.</p>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Capricorn Metals Ltd

ABN

84 121 700 105

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	(18,826)	(33,029)
(c) production	-	-
(d) staff costs	(2,441)	(6,289)
(e) administration and corporate costs	(528)	(1,496)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	116	648
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	14	73
1.8 Other (provide details if material)	-	(349)
1.9 Net cash from / (used in) operating activities	(21,665)	(40,442)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(810)
(d) exploration & evaluation (if capitalised)	(729)	(2,970)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(729)	(3,780)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	83,260
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	80	1,370
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(2,084)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(24)	(1,667)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	52	80,879
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	68,039	9,040
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(21,665)	(40,442)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(729)	(3,780)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	52	80,879

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	45,697	45,697

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	45,697	67,814
5.2	Call deposits	-	225
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	45,697	68,039

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

149

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	80,000	-
7.2	-	-
7.3	20,000	2,500
7.4	100,000	-

7.5 **Unused financing facilities available at quarter end**

97,500

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Project Loan Facility of \$80 million and a Bank Guarantee of \$20 million at an interest rate of 1% with Macquarie Bank Ltd. Macquarie Bank Ltd have first ranking security over the assets of Greenmount Resources Pty Ltd, a wholly owned subsidiary of Capricorn Metals Ltd and corporate guarantee.

8. Estimated cash available for future operating activities**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)

(21,665)

8.2 Capitalised exploration & evaluation (Item 2.1(d))

(729)

8.3 Total relevant outgoings (Item 8.1 + Item 8.2)

(22,394)

8.4 Cash and cash equivalents at quarter end (Item 4.6)

45,697

8.5 Unused finance facilities available at quarter end (Item 7.5)

97,500

8.6 Total available funding (Item 8.4 + Item 8.5)

143,197

8.7 **Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**

6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2020

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.