



SALE OF MOLO GRAPHITE ROYALTY

11th May 2016: Capricorn Metals Ltd (ASX: CMM) is pleased to advise that it has commenced the first stage of the asset sale process in Madagascar with the sale of a 1.5% Net Smelter Royalty ("NSR") on the Molo Graphite Deposit, owned by Energizer Resources Inc.

The NSR has been sold to a Canadian Investment Group for an immediate payment of CDN\$300,000 cash and a further CDN\$1,000,000 cash payment upon the commencement of commercial production on the Molo Graphite Project.

Capricorn also retains the right to a similar payment (CDN\$1,000,000) from Energizer Resources Inc. upon the commencement of commercial production on the Molo Graphite Project.

The Company continues to focus on the exploration and development of the Karlawinda gold project in Western Australia.

For and on behalf of the Board

***Peter Thompson
Managing Director***

For further information, please contact:

Mr Peter Thompson, Managing Director
Email: pthompson@capmet.com.au
Phone: 0417 979 169

Mr Nicholas Read
Read Corporate
Phone: 0419 929 046