



## CORPORATE TRANSACTION UPDATE

### ASX ANNOUNCEMENT

1 October 2018

ASX Code: CMM

ABN: 84 121 700 105

#### Board of Directors:

Mr Heath Hellewell  
*Executive Chairman*

Mr Peter Langworthy  
*Non-Executive Director*

Mr Stuart Pether  
*Non-Executive Director*

Ms Debra Bakker  
*Non-Executive Director*

#### Issued Capital:

Shares 747.9M  
Options 55.6M  
Share Price A\$0.081  
Market Cap. A\$60.6M

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Australian gold developer Capricorn Metals Ltd (ASX: CMM) ("Capricorn" or "the Company") provides the following update on the non-binding, indicative acquisition proposal ("Proposal") from Regis Resources Limited ("Regis") in relation to a scrip acquisition of 100% of Capricorn by Regis which was announced by Capricorn on 24 September 2018.

The Proposal was at a price of 11.4¢ per Capricorn share and was subject to a number of conditions including a Capricorn Board recommendation along with the support of key Capricorn shareholders and the execution of a binding implementation agreement.

Regis yesterday notified Capricorn that one of Capricorn's key shareholders has advised that it will not support Regis' Proposal and, accordingly, Regis has decided to withdraw the Proposal and cease discussions with Capricorn. Regis has also advised that, while it has no intention to initiate further discussions, it reserves its right to make a further proposal in relation to Capricorn in the future.

The Board of Capricorn is disappointed that the Regis Proposal cannot be progressed given that it was unanimously supported by the Capricorn Board. Since the Regis Proposal was announced, the Board of Capricorn has also received feedback from a significant number of Capricorn shareholders supportive of the Proposal.

The Board of Capricorn will continue to engage with the key shareholder that did not support the Regis Proposal to seek clarity on its intentions in relation to its investment in Capricorn.

The Regis Proposal has endorsed the views of the Capricorn Board and management team in relation to the quality and potential of Capricorn's flagship 100%-owned Karlawinda Gold Project ("Karlawinda") in WA's Pilbara.

As previously announced, pre-development activities at Karlawinda are continuing to progress following the release of the Feasibility Optimisation Study in June 2018, with all key permits subsequently being secured, the formal tender process for selection of a mining contractor finalised and a short-list of project finance banks is expected in October 2018.

The Board of Capricorn will continue to update shareholders as key developments occur.

Ends

#### *For further information, please contact:*

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