



NOTIFICATION UNDER SECTION 708AA(2)(F) OF CORPORATIONS ACT 2001 (CTH)

ASX ANNOUNCEMENT

4 April 2019

ASX Code: CMM

ABN: 84 121 700 105

Board of Directors:

Mr Douglas Jendry
Non-Executive Chair

Mr Stuart Pether
Non-Executive Director

Mr Timothy Kestell
Non-Executive Director

Issued Capital:

Shares 780.4M
Options 47.4M
Share Price A\$0.084
Market Cap. A\$65.6m

REGISTERED OFFICE:

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Capricorn Metals Ltd (ASX:CMM) (**Capricorn** or the **Company**) has today announced that it is undertaking a fully underwritten, pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise up to approximately A\$10.1 million (before associated costs).

The Entitlement Offer will comprise an accelerated institutional component and a retail component.

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 5 existing fully paid ordinary shares in the Company held as at the Record Date, 5.00pm AWST on Monday, 8 April 2019, at an issue price of \$0.065 per New Share.

The Entitlement Offer is fully underwritten by Argonaut Capital Limited (**Underwriter**).

Further details regarding the Entitlement Offer are set out in the ASX announcement accompanying this notice.

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (**Act**) and states that this notice is given by the Company to ASX under paragraph 708AA(2)(f) of the Act, as modified by ASIC Corporations Instrument 2016/84 (**ASIC Instrument**).

Accordingly, the Company confirms that:

1. The Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act.
2. This notice is being given under section 708AA(2)(f) of the Act as modified by the ASIC Instrument.
3. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act.
4. As at the date of this notice, there is no 'excluded information' of the type referred to in section 708AA(8) or 708AA(9) of the Act which is required to be disclosed by the Company.
5. The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings. As the Entitlement Offer is a pro rata issue, and given the current level of holdings of substantial holders (based on substantial holder notices that have been given to the Company and lodged with ASX before the date of this announcement), the Entitlement Offer is not expected to have any material

effect on the control of the Company and, as a result, there is not expected to be any consequences flowing from that effect.

Signed for and on behalf of the Board of Capricorn Metals Ltd.



Mr Doug Jendry
Chair

For further information, please contact:

Mr Doug Jendry
Non-Executive Chair
Email: enquiries@capmet.com.au
Phone: (08) 9212 4600

Forward Looking Statements

This announcement may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Capricorn's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Capricorn does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Capricorn's control. Past performance is not a reliable indication of future performance.