

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 | FULLY PAID ORDINARY SHARES (SHARES) |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued | 32,716,703 ORDINARY SHARES |
| 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.

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<p>4 Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?</p> <p>If the additional *securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>YES, THE SHARES RANK EQUALLY IN ALL RESPECTS WITH THE EXISTING FULLY PAID ORDINARY SHARES IN CAPRICORN METALS LTD.</p>
<p>5 Issue price or consideration</p>	<p>\$0.065 PER SHARE</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>COMPLETION OF THE INSTITUTIONAL OFFER UNDER THE ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER AS DESCRIBED IN THE ASX ANNOUNCEMENT LODGED WITH THE ASX 4 APRIL 2019.</p>
<p>6a Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the *securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>YES</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>15 NOVEMBER 2018</p>
<p>6c Number of *securities issued without security holder approval under rule 7.1</p>	<p>32,716,703 ORDINARY SHARES</p>
<p>6d Number of *securities issued with security holder approval under rule 7.1A</p>	<p>NIL</p>
<p>6e Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>NIL</p>
<p>6f Number of *securities issued under an exception in rule 7.2</p>	<p>ALL NEW SHARES ISSUED UNDER THE ENTITLEMENT OFFER ARE EXPECTED TO FALL WITHIN AN EXCEPTION TO RULE 7.2 (INCLUDING EXCEPTIONS 1 TO 3).</p>

+ 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.	N/A	
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%: 121,974,173 7.1A Remaining 10%: 81,316,116	
7	*Issue dates <small>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.</small>	16 APRIL 2019	
8	Number and *class of all *securities quoted on ASX (<i>including</i> the *securities in section 2 if applicable)	Number	*Class
		813,161,156	CMM ORDINARY SHARES
9	Number and *class of all *securities not quoted on ASX (<i>including</i> 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	\$0.15 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?	NO
12	Is the issue renounceable or non-renounceable?	NON-RENOUNCEABLE
13	Ratio in which the *securities will be offered	1 NEW SHARE FOR EVERY 5 SHARES HELD
14	*Class of *securities to which the offer relates	FULLY PAID ORDINARY SHARES
15	*Record date to determine entitlements	5.00PM WST 8 APRIL 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NO
17	Policy for deciding entitlements in relation to fractions	FRACTIONAL ENTITLEMENTS WILL BE ROUNDED UP TO THE NEAREST WHOLE NUMBER OF NEW SHARES.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	ALL COUNTRIES OTHER THAN AUSTRALIA, NEW ZEALAND, HONG KONG, INDIA, ITALY, MAURITIUS, NAMIBIA, PAPUA NEW GUINEA, THE PHILIPPINES, SINGAPORE, SWITZERLAND AND THE UNITED KINGDOM.
19	Closing date for receipt of acceptances or renunciations	THE INSTITUTIONAL ENTITLEMENT OFFER CLOSED ON 5 APRIL 2019. THE RETAIL ENTITLEMENT OFFER IS SCHEDULED TO CLOSE AT 5.00 PM WST 30 APRIL 2019.
20	Names of any underwriters	ARGONAUT CAPITAL LIMITED ACN 099 761 547
21	Amount of any underwriting fee or commission	UNDER THE UNDERWRITING AGREEMENT THE COMPANY HAS AGREED TO PAY: A) A FEE EQUAL TO 2.5% OF THE TOTAL PROCEEDS RAISED UNDER THE OFFER; PLUS B) A FEE EQUAL TO 2.0% OF THE PROCEEDS OF NEW SHARES TO THE EXTENT THEY ARE SUB-UNDERWRITTEN BY CLIENTS OF ARGONAUT SECURITIES PTY LIMITED.
22	Names of any brokers to the issue	ARGONAUT SECURITIES PTY LIMITED ABN 72 108 330 650
23	Fee or commission payable to the broker to the issue	N/A

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	AN OFFER DOCUMENT AND ENTITLEMENT AND ACCEPTANCE FORM WAS DESPATCHED TO ELIGIBLE SHAREHOLDERS ON 11 APRIL 2019.
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Issue date	<p>THE ISSUE DATE UNDER THE INSTITUTIONAL COMPONENT OF THE ENTITLEMENT OFFER IS 16 APRIL 2019.</p> <p>THE ISSUE DATE UNDER THE RETAIL COMPONENT OF THE ENTITLEMENT OFFER IS SCHEDULED FOR 7 MAY 2019.</p>

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

+ See chapter 19 for defined terms.

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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

Entities that have ticked box 34(b)

- 38 Number of *securities for which *quotation is sought

N/A

- 39 *Class of *securities for which quotation is sought

N/A

- 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
- | |
|-----|
| N/A |
|-----|
- 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)
- | |
|-----|
| N/A |
|-----|
- 42 Number and *class of all *securities quoted on ASX (including 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.

+ See chapter 19 for defined terms.


- 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

- 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: 15 April 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
<p>Add the following:</p> <ul style="list-style-type: none"> • 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 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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> 	<p style="text-align: right;">32,508,128 (SPP 27/02/2019)</p> <p style="text-align: right;">32,716,703 (Institutional Entitlement Offer)</p>
Subtract the number of fully paid *ordinary securities cancelled during that 12 month period	0
“A”	813,161,156

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 [Note: this value cannot be changed]
Multiply “A” by 0.15	121,974,173
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of [†]equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • 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 	
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p>Note: number must be same as shown in Step 2</p>	121,974,173
<p>Subtract “C”</p> <p>Note: number must be same as shown in Step 3</p>	0
Total [“A” x 0.15] – “C”	121,974,173 [Note: this is the remaining placement capacity under rule 7.1]

[†] 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>	813,161,156
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	81,316,116
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: <ul style="list-style-type: none"> • <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> 	
“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>	81,316,116
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	81,316,116 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.