



CAPRICORN METALS LTD

ACN 121 700 105

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30 am WST

DATE: Tuesday, 24 September 2019

PLACE: The Country Women's Association
1176 Hay Street
West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm WST on Sunday, 22 September 2019.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.30 am (WST) on Tuesday, 24 September 2019 at:
The Country Women's Association, 1176 Hay Street, West Perth WA 6005

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on Sunday, 22 September 2019.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the separately provided, personalised, Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9212 4600.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 31,772,793 Shares to professional and sophisticated investors on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 93,653,334 Shares to professional and sophisticated investors on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 280,823,873 Shares to professional and sophisticated investors on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 20 August 2019

By order of the Board



Natasha Santi
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS

On 13 August 2019, the Company announced a total capital raising of up to \$65.0 million, through the issue of a maximum of 406,250,000 Shares at an issue price of \$0.16 per share (**Placement**). The Placement is being undertaken in two tranches.

The Shares issued pursuant to Tranche 1 (**Tranche 1 Placement Shares**) were issued on 20 August 2019 without Shareholder approval, to the following persons:

- (i) 113,387,305 Shares to sophisticated and professional investors; and
- (ii) 12,038,822 Shares to Hawke's Point Holdings I Limited (**Hawke's Point**).

The Shares issued to Hawke's Point were issued pursuant to an existing top up right Hawke's Point has pursuant to a subscription agreement entered into with the Company and in accordance with a waiver granted by the ASX to ASX Listing Rule 6.18 (**Top-Up Right**).

The Shares to be issued pursuant to Tranche 2 of the Placement (**Tranche 2 Placement Shares**) are subject to Shareholder approval (which the Company is seeking Shareholder approval for, pursuant to Resolution 3 of this Notice) and will comprise the offer of:

- (i) 253,869,451 Shares to sophisticated and professional investors; and
- (ii) 26,954,422 Shares to Hawke's Point (pursuant to the Hawke's Point Top-Up Right).

2. RESOLUTION 1 & 2 – RATIFICATION OF PRIOR ISSUE UNDER LISTING RULES 7.1 AND 7.1A

2.1 General

On 20 August 2019, the Company issued 125,426,127 Shares under the Placement to raise \$20.07 million.

The allotments were made without Shareholder approval, with 31,772,793 Placement Shares being issued under Listing Rule 7.1, which allows up to 15% of eligible capital to be issued without shareholder approval, and with 93,653,334 Placement Shares being issued under Listing Rule 7.1A, which allows up to 10% of eligible capital to be issued under prior approval gained at the preceding annual general meeting.

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolution 1 and 2 are ordinary resolutions.

The Chairman intends to exercise all available proxies (which grant him a voting discretion) in favour of Resolutions 1 and 2.

2.2 Listing Rules 7.1 and 7.1A

Resolution 1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided

that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By shareholders ratifying the issue which is the subject of Resolution 1, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 2

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity which is eligible and obtains approval under ASX Listing Rule 7.1A may, during the period for which the approval is valid, issue or agree to issue a number of equity securities, in an existing class of quoted equity securities, which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1A.2.

The Company obtained the requisite shareholder approval under Listing Rule 7.1A at its 2018 annual general meeting.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (i) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (ii) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

The issue of securities made relying on ASX Listing Rule 7.1A can, after they have been made, be ratified under ASX Listing Rule 7.4

By shareholders ratifying the issue of the 93,653,334 Placement Shares issued under Listing Rule 7.1A by passing Resolution 2, the Company will retain the flexibility to issue equity securities (in an existing class of quoted equity securities) in the future up to the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). It would also have the effect of increasing the base figure upon which the Company's 15% placement capacity is calculated earlier than would otherwise be the case.

2.3 Technical information required by ASX Listing Rule 7.5

Resolution 1

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (i) 31,772,793 Shares were issued on 20 August 2019 (being part of the Tranche 1 Placement Shares) at an issue price of \$0.16 per Share;
- (ii) all Tranche 1 Placement Shares issued were fully paid ordinary shares and rank equally with all other Shares on issue;
- (iii) the 31,772,793 Shares were issued to professional and sophisticated investors (none of whom were a related party of the Company), including to Hawke's Point pursuant to the Hawke's Point Top-Up Right;
- (iv) this portion of Tranche 1 of the Placement raised a total of \$5.08 million. It is proposed these funds, together with the funds raised under the remaining portion of Tranche 1 (\$14.99 million) and the funds to be raised under Tranche 2 of the Placement will be used to:
 - Optimise the previously announced development plans for Karlawinda;
 - Completion of other pre-development and infrastructure activities;

- Pre-production mining works and deposits for long lead capital items;
 - Construction of processing plant and associated infrastructure, targeted for commencement in the March 2020 quarter; and
 - Ongoing exploration and working capital requirements; and
- (v) a voting exclusion statement is included in this Notice for Resolution 1.

Resolution 2

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (i) 93,653,334 Shares were issued on 20 August 2019 (being part of the Tranche 1 Placement Shares) at an issue price of \$0.16 per Share;
- (ii) all Tranche 1 Placement Shares issued were fully paid ordinary shares and rank equally with all other Shares on issue;
- (iii) the 93,653,334 Shares were issued to professional and sophisticated investors (none of whom were a related party of the Company), including to Hawke's Point pursuant to the Hawke's Point Top-Up Right;
- (iv) this portion of Tranche 1 of the Placement raised a total of \$14.99 million. It is proposed these funds, together with the funds raised under the remaining portion of Tranche 1 (\$5.08 million) and the funds to be raised under Tranche 2 of the Placement will be used to:
- Optimise the previously announced development plans for Karlawinda;
 - Completion of other pre-development and infrastructure activities;
 - Pre-production mining works and deposits for long lead capital items;
 - Construction of processing plant and associated infrastructure, targeted for commencement in the March 2020 quarter; and
 - Ongoing exploration and working capital requirements; and
- (v) a voting exclusion statement is included in this Notice for Resolution 2.

2.4 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES

3.1 General

The Company proposes to issue up to 280,823,873 Tranche 2 Placement Shares under the Placement to raise up to \$44.93 million. The allotments will be made subject to Shareholder approval under Listing Rule 7.1. Further details are contained in Section 1.

Resolution 3 seeks approval pursuant to ASX Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

None of the subscribers of the Tranche 2 Placement Shares will be related parties of the Company or an associate of a related party of the Company.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies (which grant him a voting discretion) in favour of Resolution 3.

3.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

By shareholders approving the issue which is the subject of Resolution 3, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (i) the maximum number of Shares to be issued under this portion of the Placement is 280,823,873 Shares (being the Tranche 2 Placement Shares) and they will be issued at an issue price of \$0.16 per Share;
- (ii) the Tranche 2 Placement Shares will be issued as soon as possible following the passing of Resolution 3, but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules);
- (iii) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors (none of whom will be a related party of the Company), including to Hawke's Point pursuant to the Hawke's Point Top-Up Right;
- (iv) the Tranche 2 Placement Shares will be fully paid ordinary shares which will rank equally with all other Shares on issue;
- (v) the Tranche 2 Placement Shares will raise up to \$44.93 million and it is proposed the funds raised together with the funds raised under Tranche 1 of the Placement will be used to:
 - Optimise the previously announced development plans for Karlawinda;
 - Completion of other pre-development and infrastructure activities;
 - Pre-production mining works and deposits for long lead capital items;
 - Construction of processing plant and associated infrastructure, targeted for commencement in the March 2020 quarter; and
 - Ongoing exploration and working capital requirements; and
- (vi) the Shares to be issued pursuant to Resolution 3 are proposed to be issued all on the same date; and
- (vii) a voting exclusion statement is included in the Notice for Resolution 3.

3.4 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Chair means the chair of the Meeting.

Company means Capricorn Metals Ltd (ACN 121 700 105).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Hawke's Point has the meaning given to that term in Section 1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Placement has the meaning given to that term in Section 1.

Proxy Form means the personalised proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Top-Up Right has the meaning given to that term in Section 1.

Tranche 1 Placement Shares has the meaning given to that term in Section 1.

Tranche 2 Placement Shares has the meaning given to that term in Section 1.

WST means Western Standard Time as observed in Perth, Western Australia.



Capricorn Metals Limited | ACN 121 700 105

GM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Mr Sam Sample
123 Sample Street
Sampleville WA 6000

Holder Number:

Vote by Proxy: CMM

Your proxy voting instruction must be received by **10.30am (WST) on Sunday 22 September 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	Return your completed form	All enquiries to Automic		
	BY MAIL Automic GPO Box 5193 Sydney NSW 2001	IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	BY EMAIL meetings@automicgroup.com.au	WEBCHAT https://automic.com.au/

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online																			
	<p>I/We being a Shareholder entitled to attend and vote at the General Meeting of Capricorn Metals Limited to be held at 10.30 am (WST) on Tuesday 24 September 2019, at The Country Women’s Association, 1176 Hay Street, West Perth, WA 6005 hereby:</p> <p>Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <table border="1" style="width: 100%; height: 30px;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the “for,” against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.</p> <p>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</p> <p>Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>																			

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Ratification of prior issue under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Ratification of prior issue under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Approval to issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>			

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<input type="text"/>		
	Email Address:		
	<input type="text"/>		
	Contact Daytime Telephone	Date (DD/MM/YY)	
	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	
	By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		