

ACQUISITION OF DEADMAN FLAT PROJECT CAPRICORN SIGNIFICANTLY EXPANDS KARLAWINDA PROJECT TENURE

The board of Capricorn Metals Ltd (“Capricorn” or “the Company”) is pleased to advise that it has entered into an agreement with Peregrine Gold Ltd (“Peregrine”) to acquire the prospective Deadman Flat Project tenements covering approximately 270 square kilometres located contiguous to the Company’s Karlawinda Gold Project (“KGP”) tenure in the Pilbara region of Western Australia. The acquisition consolidates the Company’s holding of Pilbara Craton greenstones in proximity to the highly prospective Pilbara - Yilgarn Craton margin

The transaction consideration is \$1.5 million, which Capricorn will settle through the issue to Peregrine of fully paid ordinary Capricorn shares upon completion.

Further consideration includes the grant of a 1% net smelter royalty on the sale of all precious minerals and a 1.5% net smelter royalty in respect to the sale of non-precious minerals extracted from the Deadman Flat Project area. In addition, the Company has agreed to make contingent deferred payments as follows:

- \$750,000 upon the announcement by Capricorn of a JORC compliant Mineral Resource Estimate in excess of 200,000 ounces of gold on the Deadman Flat Project tenements; and
- \$750,000 upon the announcement by Capricorn of a board decision to commence a stand-alone commercial mining operation on the Deadman Flat Project tenements

The share issue consideration will be valued at the 20-day VWAP prior to completion occurring. Completion of the acquisition is expected in February 2025.

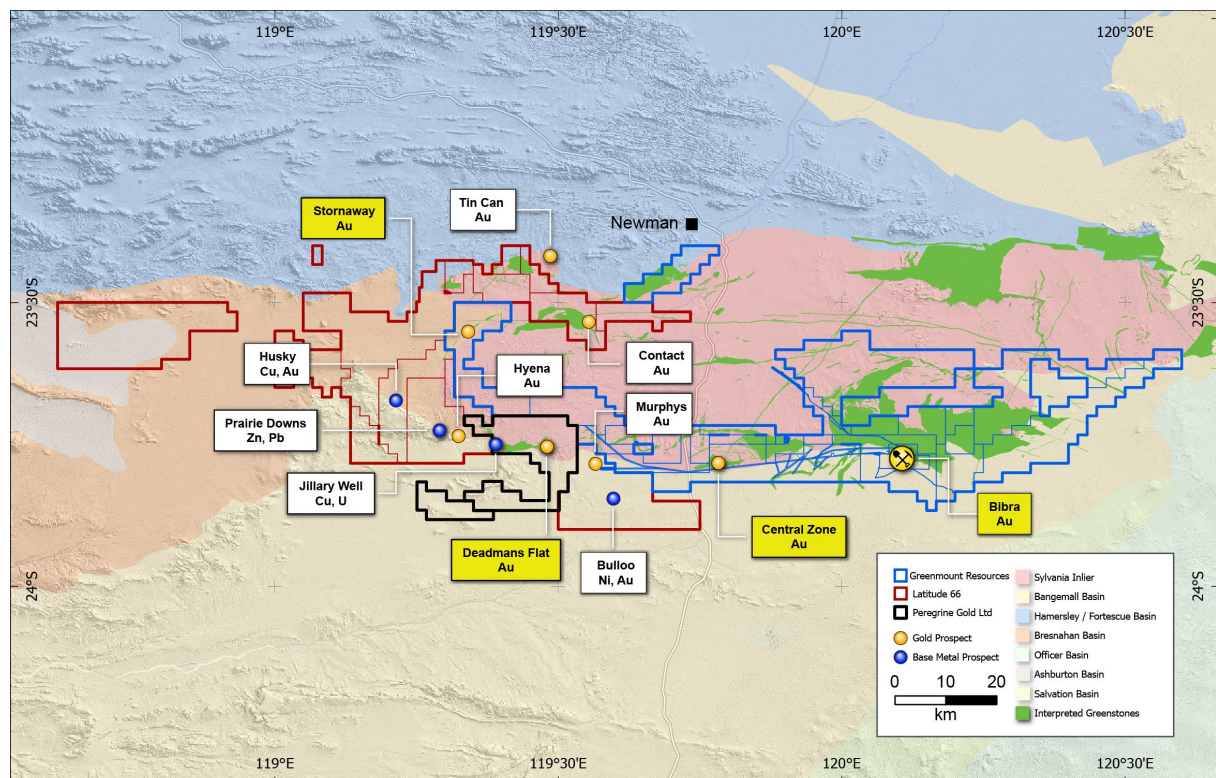


Figure 1 – Deadman Flat Tenements (black) alongside recently acquired Sylvania Project tenements (red) and existing KGP tenements

Situated on the southern extents of CMM tenure, the project area sits in proximity to Sylvania Inlier and Pilbara - Yilgarn Craton margin, a zone that is considered a high strain zone with high prospectivity for gold mineralising fluids with origins from igneous intrusions. This Craton boundary is interpreted to play a significant role in the placement of ore forming fluids at Capricorn's current exploration focus areas including the +2Moz Bibra gold deposit and Central Zone prospect (*figure 1*). The acquisition increases Capricorn's KGP tenement holding to approximately 4,000 square kilometres.

As well as regional scale prospectivity the project area hosts the Deadman Flat gold prospect which has been historically mined through alluvial and hardrock workings dating back to the 1930s. A review of open file data from the tenement show gold mineralisation¹ present in historical rock chip and RAB drill samples. Geological observations show the workings are hosted within a highly deformed, folded and faulted block of greenstone rocks within the Sylvania Inlier interpreted to predate the region's major gold events. Encouragingly, the host sequence shows geological similarities to Capricorn's Central Zone Prospect 30km to the east hosted by sheared shales, pyritic cherts and minor arenites (Wamex: A73325).

Exploration for gold in the region of the acquired tenements has generally been limited with only early-stage work conducted, mostly during the mid-1990's. There has been little serious focus on gold and very few drillholes completed outside of the Deadman Flat prospect despite there being substantial evidence for widespread gold mineralisation in the region. In Q3 Capricorn will commence high resolution airborne gravity surveys, broad scale geological and regolith mapping, and geochemical sampling in currently defined target areas. This work is designed to generate targets for drilling in FY26.

Capricorn Executive Chairman Mark Clark commented:

"The acquisition of the Deadman Flat Project expands the Karlawinda Gold Project exploration footprint and completes the consolidation of the highly prospective southern margin of the Sylvania Inlier, including tenements directly along the strike of the Company's Central Zone prospect. This provides Capricorn with an outstanding exploration opportunity with a view to finding meaningful additional ore sources for the Karlawinda operation."

This announcement has been authorised for release by the Capricorn Metals board.

For further information, please contact:

Mr Mark Clark
Executive Chairman
E: enquiries@capmet.com.au
T: +61 8 9212 4600

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.