

ACTIVITIES REPORT

DECEMBER 2024 QUARTER

KGP OPERATIONS

- Karlawinda Gold Project (KGP) December 2024 quarter (Q2) gold production was 28,702 ounces (Q1: 25,559oz) at an all-in-sustaining cost (AISC) of \$1,490 per ounce (Q1: \$1,647 per ounce).
- Year to date gold production of 54,261 ounces at AISC of \$1,564 per ounce is in line with expectations as per the FY25 mine plan.
- KGP remains on track to achieve the mid-point of FY25 guidance of 110,000 – 120,000 ounces at an AISC of \$1,370 - \$1,470 per ounce.
- Record quarterly cash flow from operations of \$52.6 million generated in Q2 (Q1: \$38.0m).
- Total material mined from the Bibra open pit decreased by 16% from Q1 reflecting the work done in previous quarters to open up larger working areas of the open pit and facilitate mining productivities following the significant rainfall in Q3FY24. Accordingly, the stripping ratio decreased to 4.3 (w:o) compared to 5.0 in Q1.
- Pre-stripping works at the Southern Corridor extension of Bibra commenced as part of the Karlawinda Expansion Project (KEP).

CORPORATE

- Institutional share placement successfully completed to raise \$200 million (before costs). Proceeds, together with current cash reserves and future cash flow from KGP, are expected to fully fund the development of the KEP and Mt Gibson Gold Project (MGGP).
- Cash and gold on hand at the end of Q2 was \$363.1 million (Q1: \$144.6m) reflecting a cash build of \$31.2 million (Q1: 24.1m) before the discretionary capital expenditure at the MGGP of \$6.0 million (Q1: \$4.5m) and net capital raising proceeds of \$193.4m.
- Gold sales of 31,777 ounces at an average price of \$4,093 per ounce generated \$130.1 million in revenue with a further 1,825 ounces of gold on hand at the end of Q2 valued at \$7.7 million (Q1: 4,656oz).
- Internal senior management appointments following the retirement of CEO Kim Massey with Paul Criddle (COO) being appointed CEO, Tony Hinkley promoted to COO, Shane Clark appointed Chief Development Officer and William Nguyen (CFO) taking on the additional role of Company Secretary.

MGGP DEVELOPMENT

- Installation of the 400-room accommodation village for the operation is nearing completion. Completion and handover of the full camp is expected early in Q3. Total spend to date of \$29.9 million on construction works is an early spend of the \$260 million MGGP capital budget and a strategic decision to compress the ultimate construction timeframe.
- Evaluation work for mining services and power supply contracts continued in the quarter in consideration of increased reserve inventory. The process plant design contract was awarded to CPC Engineering in the period and works have commenced.
- The Company submitted the MGGP Public Environmental Report (PER) to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) under the *Environment Protection and Biodiversity Conservation Act 1999* in accordance with guidelines for the PER developed by DCCEEW and issued to Capricorn in July 2024.

KEP DEVELOPMENT

- The Capricorn board approved the expansion of the KGP which will incorporate the installation of a new three-stage crushing, mill and CIL circuit to increase total processing capacity to 6.5Mtpa.
- Average annual gold projection from the expanded KGP is expected to be in the order of 150,000 ounces.
- Expected expansion capital of A\$120 million is targeted for completion in Q4 FY26 and has an estimated 20-month payback at a A\$3,300 per ounce gold price.

- The plant design contract was awarded to MACA Interquip Mintrex Engineering with design and procurement works commenced.
- Tailings Storage Facility (TSF) design and requisite permitting advanced.

RESOURCE AND RESERVE UPDATE

- MGGP Ore Reserve Estimate (ORE) and Mineral Resource Estimate (MRE) was updated in November 2024.
- MGGP ORE increased by 758,000 ounces (41%) to 2,591,000 ounces and was estimated using a gold price of A\$2,200 per ounce.
- The reserve shells remain shallow with an average depth of 180 metres and an operating strip ratio of 4.8.
- Expected annual gold production rate of 150,000 ounces for the first 15 years of mine life, with targeted AISC to average A\$1,650 – A\$1,750.
- MGGP MRE of 150.4Mt at 0.8g/t for 3,991,000 ounces represents an increase of 686,000 ounces (21%) from the April 2024 MRE of 3,305,000 ounces.
- Capricorn group ORE now stands at 4,019,000 ounces, while the group MRE is 6,243,000 ounces.

EXPLORATION

- Capricorn released the Quarterly Exploration Update on 29 January 2025, outlining encouraging results from exploration at both projects during Q2.
- Continued broad, high-grade gold intercepts at MGGP supported commencement of a 10,000m follow up diamond drill programme with two diamond drill rigs in Q3 targeting underground mine potential and a maiden underground MRE.
- Capricorn entered into an agreement with Latitude 66 Ltd (ASX:LAT) to acquire the prospective Sylvania Project tenements located contiguous to the Company's KPG tenure in the Pilbara region of WA.
- Highlights are provided below with details available in the ASX announcement dated 29 January 2025.

Mt Gibson Gold Project (MGGP)

- A further 30,627 metres (302 holes) of resource extension, regional exploration and mine development drilling were completed across the MGGP during Q2.
- Assays received from 57 resource definition holes (12,284 metres) since the last update in October 2024 continue to return exceptional results, both within and extensional to the resource including:
 - 19 metres @ 4.40g/t from 11 to 30m
 - 4 metres @ 12.95g/t from 70 to 74m
 - 22 metres @ 1.92g/t from 281 to 303m*
 - 36 metres @ 1.54g/t from 300 to 336m*
 - 20 metres @ 2.27g/t from 121 to 241m
 - 10 metres @ 4.16g/t from 132 to 142m

** intercept is outside of current resource pit shell*
- A total of 1,445 metres (6 holes) diamond drilling was completed for a project total of 7,063-metre (27 holes) under the Orion and Lexington pits. Broad, high-grade gold intercepts demonstrated that mineralisation extends significantly at depth, continuing to highlight the potential for an underground mining operation. Encouraging results were returned including:
 - 4.70 metres @ 24.88g/t from 412 to 416.7m*
 - 16.23 metres @ 3.16g/t from 393 to 409.23m*
 - 1.53 metres @ 22.75g/t from 427 to 428.53m*
 - 9.05 metres @ 3.66g/t from 332.19 to 341.24m*
 - 9.57 metres @ 5.97g/t from 281 to 290.57m
 - 17.18 metres @ 2.88g/t from 276 to 293.18m
 - 9.66 metres @ 3.50g/t from 335.34 to 345m*
 - 6.51 metres @ 4.52g/t from 327.9 to 333.7m*

** intercept is outside of current resource pit shell*
- Maiden ORE at the Aries deposit of 29koz (included in Nov24 updated ORE) was delivered from Q1 and historic drilling. Further extensional drilling is planned and will future form the basis of future ORE and MRE updates at Aries.
- A total of 199 AC holes (10,963 metres) and 24 RC holes (3,402 metres) of near mine exploration drilling was completed in Q2 across a number of targets, including the Mexicola, Sundance, and Big Whiskey prospects. Approvals for additional drilling were received in Q2, with follow-up drilling to commence in Q3, best results, included 7 metres @ 15.04g/t from 60 to 67m.

Karlawinda Gold Project (KGP)

- An RC drilling programme completed in Q1 across the Bibra and Berwick deposits, targeting near-surface zones, returned significant results including:
 - 3 metres @ 5.24g/t from 79 to 82m
 - 3 metres @ 3.02g/t from 72 to 75m
 - 4 metres @ 3.56g/t from 86 to 90m
 - 6 metres @ 1.21g/t from 96 to 102m
- RC drilling continued along the Central Lode within the Mumbakine Well project area with a total of 8,974 metres (71 holes) of RC drilling completed, best results for Q2 include:
 - 2 metres @ 24.66g/t from 5 to 7m
 - 3 metres @ 7.09g/t from 74 to 77m
 - 4 metres @ 11.91g/t from 50 to 54m
 - 12 metres @ 1.48g/t from 42 to 54m
- 3,035 metres (101 holes) of broad spaced AC drilling was completed at the Mission Road and Badlands prospects, both located less than 20 kilometres from the Bibra open pit.

DECEMBER 2024 QUARTER ACTIVITIES SUMMARY

Capricorn Metals Ltd (Capricorn) wholly owns the operating Karlawinda Gold Project (KGP) located 65 kilometres south-east of Newman in the Pilbara region of Western Australia and the Mt Gibson Gold Project (MGGP) located 65 kilometres north-east of Wubin in the Mid-West region of Western Australia.

Karlawinda Gold Project

The KGP delivered another strong quarter of operations, producing 28,702 ounces of gold. This result brings half-year production to 54,261 ounces, placing Capricorn in a strong position to achieve FY25 guidance of 110,000 – 120,000 ounces.

Gold production for the quarter was a product of the continued focus on total material movement from the Bibra open pit to maintain the budgeted pit face positions for end of quarter. The above budget mine production year to date, has resulted in the Bibra pit now being well established for what is a planned, higher production period in H2 FY25. Encouragingly, gold recovery rates continued at the budgeted rate of 92.0% in this quarter reflecting optimisation work completed in this area in the last several quarters. Pre-stripping works commenced at the Southern Corridor extension of Bibra as part of the expansion project.

Cash costs before royalties for the quarter were \$1,272 per ounce, with an AISC of \$1,490 per ounce, reflecting effective management to maintain the budgeted pit face positions and above-budget mine production year to date. The half-year AISC of \$1,564 per ounce is on track to fall within the FY25 cost guidance range of \$1,370 to \$1,470 per ounce, with costs expected to decline further reflecting increased mining efficiencies and higher production in the coming quarters.

Operating results for the KGP for Q2 were as follows:

	Unit	Dec24Q	Sep24Q	Jun24Q	Mar24Q
Operations					
Ore mined	BCM ('000)	584	615	528	317
Waste mined	BCM ('000)	2,539	3,083	2,621	2,285
Stripping ratio	w:o	4.3	5.0	5.0	7.2
Ore mined	t ('000)	1,542	1,564	1,420	856
Ore milled	t ('000)	1,108	1,088	1,012	997
Head Grade	g/t	0.88	0.80	0.93	0.91
Recovery	%	92.0	91.9	89.1	89.5
Gold production	Oz	28,702	25,559	26,835	26,073
Financial					
Net Cash cost	A\$/oz	1,272	1,459	1,346	1,319
All-in sustaining cost	A\$/oz	1,490	1,647	1,548	1,515

Net Cash costs and AISC calculated on a per ounce production basis.

Mining

Open pit material mined in Q2 was 3.1 million BCM, representing a 16% decrease compared to the previous quarter (Q1: 3.7 million BCM). The increased material movement in Q1 facilitated the achievement of the planned pit face positions, providing greater working areas within the open pit during Q2. Consequently, the strip ratio for the quarter decreased to 4.35 (w:o) compared to 5.0 in Q1.

A total of 1.5 million tonnes of ore was mined during the quarter, with ore stocks increasing to 5.8 million tonnes.



Bibra open pit (December 2024)

Processing

Consistent performance at the KGP processing plant continued in the quarter, with a total of 1.1 million tonnes of ore processed at an improved head grade of 0.88g/t (Q1: 0.80g/t).

Gold recovery stabilised at 92.0% following the successful installation and commissioning of the liquid oxygen and lead nitrate facilities.

Operational Outlook

Production is expected to continue building in H2 FY25, driven by increased ore volumes and higher delivered grade in line with the FY25 mine plan. The upward trend in processed head grade is anticipated to continue in the coming quarters as higher-grade ore zones are exposed in the Bibra open pit, a result of the waste-stripping activities completed in H1.

Production remains on track to achieve FY25 guidance of 110,000 – 120,000 ounces at an AISC of \$1,370 - \$1,470 per ounce.

Corporate

Placement

During the quarter, Capricorn successfully completed an institutional share placement to raise \$200 million (before costs) through the issue of 33,333,334 shares at an issue price of \$6.00 per share. The placement was strongly supported by existing institutional shareholders and new high quality Australian and international institutional investors.

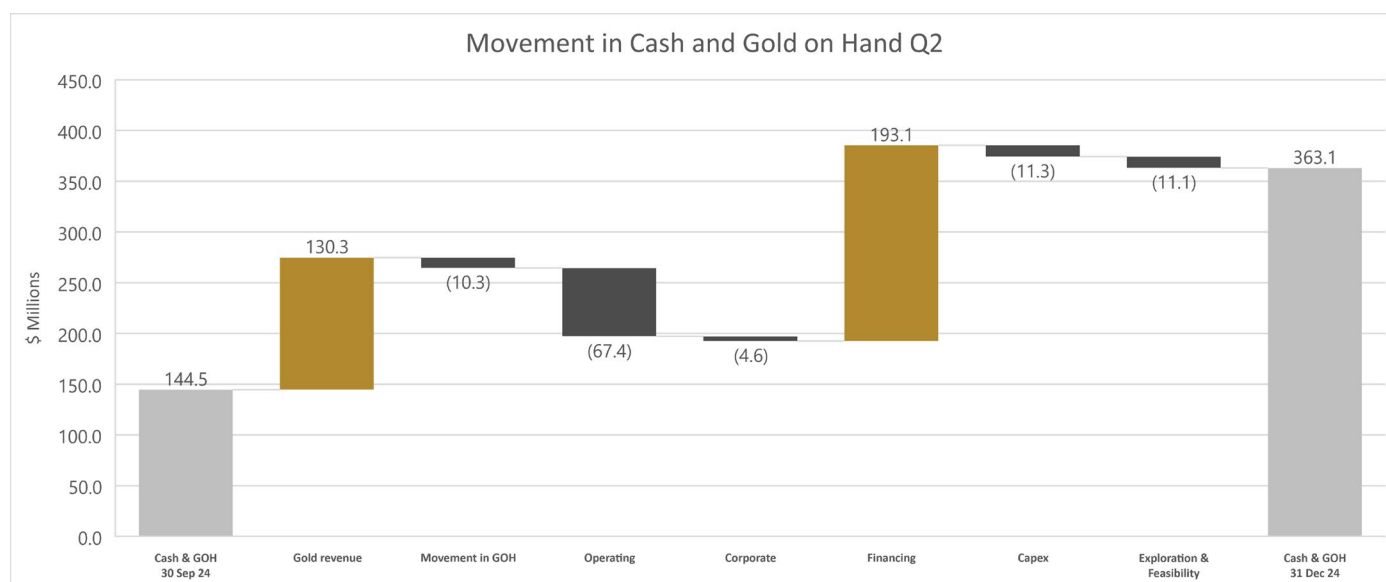
The placement proceeds, together with current cash reserves and the expected future free cash flow from KGP, are expected to fully fund the development of the KEP and MGGP. This underpins Capricorn's clear development pathway to become a 300,000 ounce per annum gold producer.

Cash and Bullion

The KGP generated a record operating cash flow of \$52.6 million for the quarter (Q1: \$38.0 million). The Company's cash and gold on hand at 31 December 2024 was \$363.1 million (Sep24: \$144.5m). This represents a cash build of \$31.2 million for the quarter (Sep24: \$24.1m) before discretionary capital expenditure at the MGGP and net capital raising proceeds of \$193.4m.

The capital spend on development activities at MGGP for the quarter was \$6.0 million with the main focus being continued installation of the 400-room accommodation village for operations. To date Capricorn has spent \$29.9 million on these early construction works. This early spend of part of the \$260 million MGGP capital budget is a strategic decision to compress the ultimate construction timeframe.

The Company's net cash and bullion position at the end of Q2 is \$313.1 million (Q1: \$94.6 million).



Gold Sales & Hedging

During the quarter, Capricorn sold a total of 31,777 ounces achieving an average gold price of \$4,093 per ounce generating revenue of \$130.1 million. At the end of the quarter, the Company had 1,825 ounces (Q1: 4,656oz) of gold on hand valued at \$7.7 million.

At the end of the quarter the Company has 55,000 ounces of flat forward gold hedging contracts remaining at an average delivery price of \$2,327 per ounce maturing from December 2025 to December 2026 and a 16,700 ounce sold gold call option with a strike price of \$2,260 per ounce and expiry date of 30 June 2025.

CEO Retirement and Succession

On 18 December 2024, Capricorn announced to ASX that Chief Executive Officer (CEO) Kim Massey would retire from the role at the end of January 2025. Over his five-year tenure, Kim successfully guided Capricorn's transition from an advanced exploration company to a low-cost gold producer with multiple growth projects.

Over the past six months Capricorn successfully recruited high-quality senior executives to bolster management depth as the company embarks on delivering its significant growth ambitions in the coming years. This proactive approach to right sizing management for the future means that Capricorn is well placed for an orderly transition on Kim's retirement.

Effective 3 February 2025, current Chief Operating Officer (COO) Paul Criddle will assume the role of CEO, reporting to Executive Chairman Mark Clark. Paul is a metallurgist with extensive experience in developing operating gold mines in both Australia and Africa.

Prior to joining Capricorn, Paul most recently held the roles of Chief Development Officer and COO at TSX listed Roxgold Inc from 2013 until its C\$1.1 billion takeover by Fortuna Silver Mines Inc in 2021. Paul led the Roxgold teams that successfully developed and operated the Yaramoko and Seguela gold mines in Burkina Faso and Ivory Coast, respectively. These projects featured both open pit and underground mining operations, CIL processing plants and a combined gold production in the order of 250,000 ounces per annum. Paul also had significant involvement in Roxgold's business development and investor relation activities.

As part of the succession plan, current General Manager of Operations Tony Hinkley has been promoted to the role of COO. Tony brings a wealth of operational management experience to the role having held the GM Ops role at Capricorn since 2020 and similar roles prior to that for many years at Regis Resources Ltd and Equigold NL. Additionally, Shane Clark (GM Business Development) was promoted to Chief Development Officer to provide further capacity to deliver Capricorn's growth projects. William Nguyen (CFO) will also take on the role of Company Secretary as part of the succession. This structure sets up Capricorn with the right management team to continue driving its operations, development and corporate activities.

Payments to Related Parties

During the quarter, payments to related parties of Capricorn and their associates (being the Company's directors) totalled \$641,445. The payments were remuneration for their roles including superannuation.

Development

Mt Gibson Gold Project

Significant progress continues to be made on the MGGP in parallel with continued exploration and resource extension drilling.

In December 2023 Capricorn referred the development of the MGGP to the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act), based on comprehensive environmental assessment work over the last two and a half years. In June 2024, Capricorn received advice from DCCEEW relating to the assessment of the MGGP referral. As expected, the project referral will be assessed as a Controlled Action via a Public Environmental Report (PER). In July 2024, DCCEEW provided the guidelines for the PER to be completed by Capricorn. During the December 2024 quarter, Capricorn submitted the MGGP PER to the DCCEEW in accordance with the guidelines for the PER developed by DCCEEW and issued to Capricorn in July 2024.

In May 2024 Capricorn lodged the referral of the MGGP to the Environmental Protection Authority (EPA) under Part IV of the Western Australian EP Act to commence the WA assessment process, which will run in parallel with the Commonwealth assessment. In July 2024, the referral was validated by the EPA and released for 7 days public comment.

Installation of the 400-room accommodation village for operations is nearing completion, with partial occupation commencing in Q2. Completion and handover of the full camp is expected early in Q3. The total installed cost of the village is expected to be in the order of \$30 million (budgeted in the \$260 million infrastructure cost component of the MGGP development capital) of which \$29.9 million has been spent to the end of December 2024.



Mt Gibson Gold Project – accommodation village installation

Evaluation work for mining services and power supply contracts continued in the quarter, assessing influence of the increased ORE. The process plant design contract was awarded to CPC Engineering in the period and works have commenced.

Capricorn's strategy is to continue to expedite the accommodation village construction, project design and long lead purchasing in parallel with progressive receipt of development and environmental permits where it is expected to be advantageous to the ultimate development schedule and cost to do so.

Karlawinda Expansion Project

As announced to the ASX on 29 October 2024, the Capricorn board approved the expansion of the Karlawinda Gold Project. The expansion will incorporate the installation of a new three stage crushing and ball mill circuit to increase total processing capacity to 6.5Mtpa. The average annual gold production from the expanded KGP is expected to be in the order of 150,000 ounces.

Key financial and operation metrics of the KEP include:

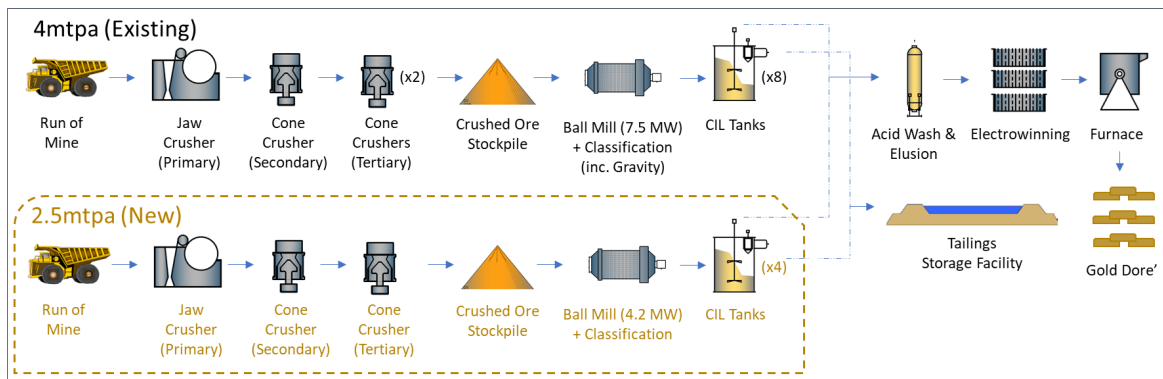
Expansion capital	A\$120 million
Project Payback (A\$3,300/oz gold price)	20 Months
Internal Rate of Return (A\$3,300/oz gold price)	49%
Milling Capacity (Steady state)	6.5mtpa
Targeted annual gold production (Steady state)	150koz
Targeted AISC (Steady state)	A\$1,700/oz
Permitting, detailed engineering & procurement (9 months)	Q4 FY25 completion
Construction phase, processing plant (12 months)	Q4 FY26 completion
Mine Life	10 years
KGP Mineral Resource (A\$2,400/oz gold price)	2.25Moz at 0.7g/t
KGP Ore Reserve (A\$2,200/oz gold price)	1.43Moz at 0.8g/t

Capricorn's positive FID for the expansion of the KGP follows a significant increase to the project's ORE to 1.43 million ounces announced in August 2024. Importantly the ORE is estimated at a conservative A\$2,200 per ounce gold price assumption.

The continued replacement of reserves and increased inventory at the KGP prompted an evaluation of the economics of investing in higher throughputs and production rates. A new parallel three-stage crushing and ball mill circuit (replicating current) with a capacity of 2.5Mtpa was chosen as the most efficient flow sheet. The increased processing capacity will not require a significant increase in mining fleet or earthmoving volumes. The mine and mill studies have focussed on the delivery of a run of mine ore product to the processing plants, minimising ore stockpiling and rehandling throughout the life of mine and eliminating a significant portion of the associated cost.

The parallel processing stream offers the flexibility of an independent run-of-mine (ROM) arrangement while maximising the use of existing infrastructure downstream of the CIL tanks. The selected flow sheet replication provides synergies in maintenance, training and spares. Existing gas infrastructure is capable to deliver the required increase in power generation with possible cost reductions through renewable energy to be considered in future studies.

The expansion will also include the construction of additional accommodation capacity which will maximise productivity during the plant construction phase and facilitate the additional personnel requirements of long-term operations. The installation of a new tailings storage facility (TSF), utilising displaced waste material from the adjacent Berwick deposit will meet the increased project deposition requirements.



Simplified Karlawinda Processing Plant Flow Sheet.

The environmental approval requirements for the project are well understood and the work required for submission of applications to regulators is advancing. Importantly, the footprint required for all plant and infrastructure associated with the expansion is contained within Capricorn's existing mining leases.

Development activities at the KEP advanced during the quarter included:

- The plant design contract was awarded to MACA Interquip Mintrex Engineering with design and procurement works commenced; and
- Tailings Storage Facility (TSF) design and requisite permitting advanced.

MGGP Resource and Reserve Update

Updated Ore Reserve Estimate

In November 2024, the Company announced an update to the April 2024 ORE at the wholly owned MGGP in Western Australia.

The updated MGGP JORC 2012 compliant ORE is 89.8 million tonnes @ 0.9g/t Au for 2.59 million ounces. This updated ORE is based on a MRE of 150.4Mt at 0.8g/t for 3,991,000 ounces.

As part of the ORE update, Capricorn also updated the April 2023 PFS and financial model, showing that the MGGP is a compelling economic proposition (modelled using gold price A\$3,300/oz).

Highlights of the reserve and PFS update included:

- The ORE increased by 758,000 ounces (41%) from the ORE announced in April 2024 to 2,591,000 ounces and takes Capricorn's group gold reserves to over 4.0 million ounces;
 - ORE estimated using a gold price of A\$2,200 per ounce;
- Remains shallow with an average depth of 180 metres, a maximum depth of 310 metres and an operating strip ratio of 4.8 (w:o);
- Expected annual production of 150,000 ounces for the first 15 years of production, with targeted AISC to average A\$1,650 – A\$1,750;
- April 2023 development cost estimate of \$260 million for plant remains appropriate along with pre-production mining capital estimate of \$83 million (April 2023: \$79m) reflecting recently tendered mining costs;
- Forecast to generate A3.6 billion of operating cash flow over 17-year mine life;

- LOM revenue of A\$7.76 billion;
- LOM free cash flow (pre-tax) of \$3.2 billion;
- Rapid payback period (pre-tax of \$2.3 years); and
- Post capex, pre-tax NPV₅ \$1,948 million.

(Financial metrics based on mid-point of AISC target range. Refer to ASX announcement dated 15 November 2024.)

Together with the KGP ORE of 1,247,000 ounces (refer to ASX announcement dated 1 August 2024), the Capricorn Group ORE increased to 4,019,000 ounces as outlined below.

Deposit	Type	Cut-Off	Probable			Total Ore Reserve		
			Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
KGP ⁵	Open Pit	0.3 <	57.7	0.8	1,428	57.7	0.8	1,428
MGGP	Open Pit	0.3 <	89.8	0.9	2,591	89.8	0.9	2,591
Total			147.5	0.8	4,019	147.5	0.8	4,019

- Notes:
1. Ore Reserves are a subset of Mineral Resources.
 2. Ore Reserves are estimated using a gold price of A\$2,200/ounce.
 3. Ore Reserves are estimated using a cut-off grade between 0.3g/t and 0.4g/t Au.
 4. The above data has been rounded to the nearest 100,000 tonnes, 0.1g/t gold grade and 1,000 ounces.
Errors of summation may occur due to rounding.
 5. As reported 1 August 2024.

Updated Mineral Resource Estimate

89,957 metres of RC, AC and DD drilling completed and assayed at the wholly owned MGGP since the April 2024 MRE has delivered a substantial increase in the MRE from 3,305,000 ounces to 3,991,000 ounces. The update MRE at MGGP is now 150.4Mt at 0.8g/t for 3,991,000 ounces.

Drilling during 2024 has continued to infill and extend the mineralisation at depth and also test for underground potential beneath Ore Reserve designs and the MRE resource shell.

The updated MRE is an increase of 686,000 ounces (21%) from the 2024 MRE and increases Capricorn group resources to 6.2 million ounces as shown below:

Deposit	Type	Cut-Off	Indicated			Inferred			Total Mineral Resources		
			Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
KGP ⁴	Open Pit	0.3 <	85.0	0.7	1,965	13.6	0.7	287	98.6	0.7	2,252
MGGP	Open Pit	0.3 <	115.9	0.9	3,194	34.5	0.7	796	150.4	0.8	3,991
Total	Total		201.0	0.8	5,160	48.1	0.7	1,083	249.0	0.8	6,243

- Notes:
1. Mineral Resources are estimated using a gold price of A2,400/ounce.
 2. Mineral Resources are estimated using a cut-off grade between 0.3g/t and 0.4g/t Au.
 3. The above data has been rounded to the nearest 100,000 tonnes, 0.1g/t gold grade and 1,000 ounces.
Errors of summation may occur due to rounding.
 4. As reported 1 August 2024.

It is expected that the MRE will be updated in mid-2025 for the significant drilling programmes continuing at the open pit deposits as well as underground potential.

Exploration

For more details on the encouraging results from exploration at both projects during Q2, please refer to the Quarterly Exploration Update ASX announcement dated 29 January 2025.

Regional Tenement Consolidation

During Q2, Capricorn agreed with Latitude 66 Ltd (ASX:LAT) to acquire the prospective Sylvania Project tenements located contiguous to the Company's KPG tenure in the Pilbara region of Western Australia (*refer to Figure 12*). The Sylvania Project is located on exploration licenses contiguous to Capricorn's existing KGP tenure and consolidates the Company's holding of Pilbara craton greenstones in proximity to the highly prospective Pilbara-Yilgarn craton margin.

The Sylvania Project covers approximately 1,740 square kilometres and increases Capricorn's KGP tenement holding to approximately 3,800 square kilometres. Situated on the southern extents of Capricorn's tenure, the project area sits in proximity to Sylvania Inlier and Pilbara-Yilgarn craton margin. This location is considered a high strain zone with high prospectivity for mineralising fluids with origins from igneous intrusions formed from partial melting of a mantle wedge or enriched fluid remobilisation through regional metamorphism. This craton boundary is interpreted to play a significant role in the placement of ore forming fluids at the +2Moz Bibra gold deposit.

Exploration for gold in the region 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 Prairie Downs base metals prospect despite there being substantial evidence for widespread gold mineralisation in the region. In Q3 Capricorn will commence broad scale geological and regolith mapping, and geochemical sampling in currently defined target areas.

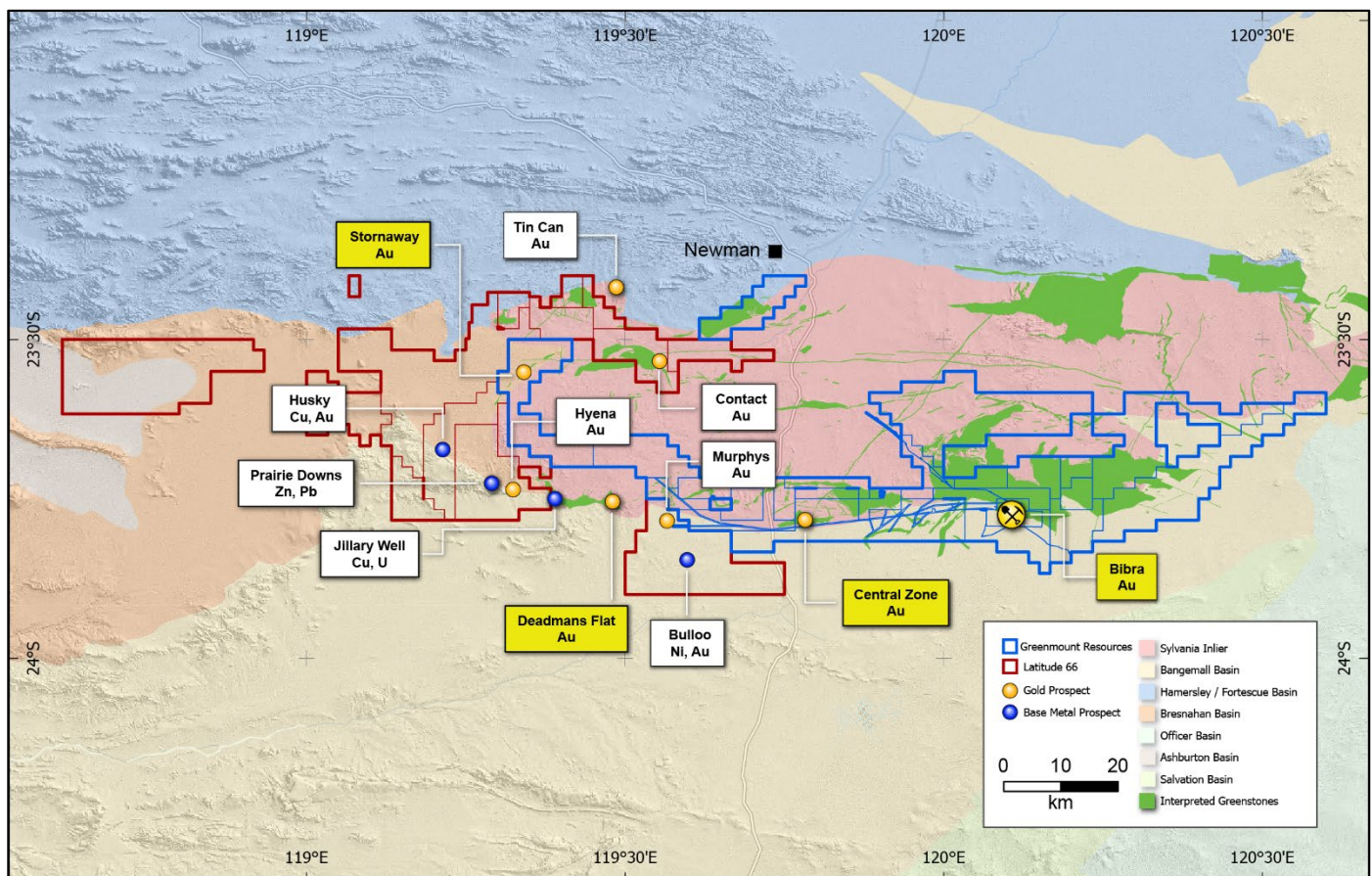


Figure 1: Sylvania Project tenements (red) alongside existing KGP tenements

This announcement has been authorised for release by the Capricorn Metals Ltd 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. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, estimated costs, revenues and reserves, the construction costs of new projects and projected capital expenditures, the outlook for minerals and metals prices and the outlook for economic conditions and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. 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 Risks section of the Company’s Annual Reports, as well as the Company’s other announcements. 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.

Competent Persons Statement

The information in this report that relates to Exploration Results is extracted from ASX Announcement released on 29 January 2025 entitled “Quarterly Exploration Update” and for which Competent Person consents were obtained. The Competent Person consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases, and the form and context of the announcement has not materially changed.

The detailed information relating to the Ore Reserves and Mineral Resources for the Karlawinda Gold Project was contained in the Company’s ASX announcement dated 1 August 2024 entitled “KGP Ore Reserve Increases to 1.43Moz’s”. The information relating to the Ore Reserves and Mineral Resources for the Mt Gibson Gold Project Gold Project was contained in the Company’s ASX announcement dated 15 November 2024 entitled “MGGP Ore Reserve Grows to 2.59 Million Ounces”.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements dated 1 August 2024, 15 November 2024 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not materially changed from previous market announcements. The reports are available to view on the ASX website and on the Company’s website at www.capmetals.com.au.

APPENDIX 1 – TENEMENT SCHEDULE

Lease	Project	Company	Location	Status	Percentage Held
M52/1070	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/1711	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2247	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2398	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2409	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3323	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3363	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3364	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3365	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3366	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3368	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3450	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3474	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3531	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3533	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3541	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3543	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3571	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3656	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3671	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3677	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3729	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3780	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3784	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3797	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3808	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3884	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E52/3887	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3888	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3889	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3890	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3980	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3995	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3996	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3997	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/4242	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E52/4243	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E52/4286	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Application	100%
L52/174	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/177	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/178	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/179	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/181	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/183	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/189	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/192	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%

L52/197	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/223	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/224	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/248	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
M59/328	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/402	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/403	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/404	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/772	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/787	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2439	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2450	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2594	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2606	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2655	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2751	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2752	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2754	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2755	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2848	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2923	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
E59/2924	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
P59/2286	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2287	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2290	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2291	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2306	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2309	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2310	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2416	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
L59/45	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/46	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/53	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/140	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/198	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L70/249	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
L70/250	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/48	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/72	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%

Mining tenements acquired during the Quarter

E52/3365	E52/3884	E52/3980
E52/3366	E52/3887	E52/3995
E52/3638	E52/3888	E52/3996
E52/3780	E52/3889	E52/3997
E52/3784	E52/3890	

Mining tenements disposed during the Quarter

Nil

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Capricorn Metals Ltd

ABN

Quarter ended ("current quarter")

84 121 700 105

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		130,305	213,397
1.2 Payments for			
(a) exploration & evaluation		-	-
(b) development		-	-
(c) production		(67,446)	(125,432)
(d) staff costs		(2,329)	(4,295)
(e) administration and corporate costs		(1,901)	(2,907)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1,856	3,107
1.5 Interest and other costs of finance paid		(2,577)	(3,251)
1.6 Income taxes paid		(390)	(714)
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		57,518	79,904
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) tenements		-	-
(c) property, plant and equipment		(11,348)	(17,816)
(d) exploration & evaluation		(11,070)	(20,411)
(e) investments		-	-
(f) other non-current assets		-	-
2.2 Proceeds from the disposal of:			
(a) entities		-	-
(b) tenements		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) other non-current assets		-	-
2.3 Cash flows from loans to other entities		-	-
2.4 Dividends received (see note 3)		-	-
2.5 Other (provide details if material)		-	-
2.6 Net cash from / (used in) investing activities		(22,418)	(38,227)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3. Cash flows from financing activities			
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	200,000	200,000	
3.2 Proceeds from issue of convertible debt securities	-	-	
3.3 Proceeds from exercise of options	-	-	
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(6,211)	(6,211)	
3.5 Proceeds from borrowings	-	-	
3.6 Repayment of borrowings	-	-	
3.7 Transaction costs related to loans and borrowings	-	-	
3.8 Dividends paid	-	-	
3.9 Other (provide details if material)	-	90	
3.10 Net cash from / (used in) financing activities	193,789	193,879	
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1 Cash and cash equivalents at beginning of period	126,584	119,918	
4.2 Net cash from / (used in) operating activities (item 1.9 above)	57,518	79,904	
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(22,418)	(38,227)	
4.4 Net cash from / (used in) financing activities (item 3.10 above)	193,789	193,879	
4.5 Effect of movement in exchange rates on cash held	-	-	
4.6 Cash and cash equivalents at end of period	355,473	355,473	
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000	
5.1 Bank balances	355,473	126,584	
5.2 Call deposits	-	-	
5.3 Bank overdrafts	-	-	
5.4 Other (provide details)	-	-	
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	355,473	126,584	
6. Payments to related parties of the entity and their associates		Current quarter \$A'000	
6.1 Aggregate amount of payments to related parties and their associates included in item 1		641	
6.2 Aggregate amount of payments to related parties and their associates included in item 2		-	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>			

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	50,000	50,000
7.2 Credit standby arrangements	-	-
7.3 Other (Bank Guarantee)	2,000	2,000
7.4 Total financing facilities	52,000	52,000
7.5 Unused financing facilities available at quarter end	Nil	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. The Loan Facility with Macquarie Bank represents funds used for the construction of the Karlawinda Gold Project. The Loan Facility accrues interest at the bank bill rate plus 3% per annum and is repayable in full on 30 June 2025. The Bank Guarantee Facility with Macquarie Bank Ltd represents certain obligations under the APA Gas Lateral Agreement. The Bank Guarantee Facility accrues interest at 2% per annum and matures on 30 September 2025. Macquarie Bank holds a first ranking, registered fixed and floating charge over all of the assets of Capricorn Metals Ltd and its wholly owned subsidiaries Greenmount Resources Pty Ltd, Crimson Metals Pty Ltd and Metrovex Pty Ltd as security for the facilities provided by Macquarie.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	57,518
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(11,070)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	46,448
8.4 Cash and cash equivalents at quarter end (item 4.6)	355,473
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	355,473
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: N/A 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: N/A 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: N/A <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.