

20 January 2021

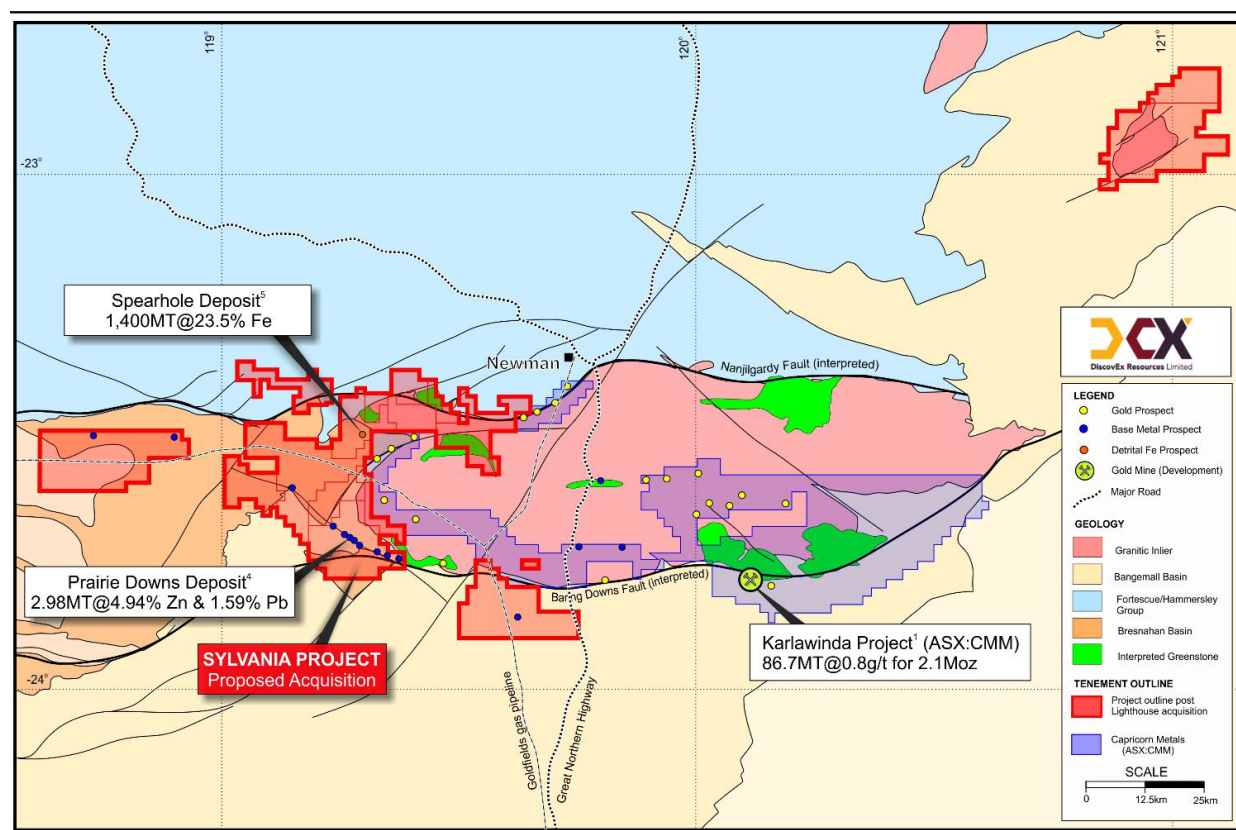
CAPRICORN MAKES STRATEGIC INVESTMENT IN PILBARA GOLD AND BASE METALS EXPLORER DISCOVEX RESOURCES LTD (ASX:DCX)

Capricorn Metals Ltd (ASX:CMM) (Capricorn or the Company) is pleased to advise that it has committed \$1.2 million to an investment in DiscovEx Resources Limited (ASX: DCX) via participation in a proposed share placement as announced by DCX on 18 January 2021.

If the transactions, of which the placement is a part, are approved by DCX shareholders, Capricorn will become a substantial shareholder of DCX, holding a 12% (approx.) interest.

After completion of the proposed transactions DCX will hold controlling interests in the Sylvania Project tenements, an extensive 2,247km², highly prospective package located adjacent to Capricorn's Karlawinda Gold Project.

In addition to the Sylvania project's known base metals resources and prospectivity (in particular the Prairie Downs deposit), it is also significantly underexplored for gold, with regional geology consistent with three major gold projects in the Pilbara, including Karlawinda.



DCX tenure and interpretive geology



20 January 2021

Capricorn CEO, Mr Kim Massey has accepted an invitation to join the Board of DCX as a Non-executive Director following the completion of the acquisition.

Full details of the projects and proposed transactions are outlined in DCX's announcement of 18 January 2021.

Capricorn Executive Chairman Mark Clark commented:

"We are pleased to secure a strategic investment in DCX, with its extensive and prospective gold and base metals tenement package in the Pilbara, close to the Karlawinda Gold Project. We look forward to supporting DCX's exploration efforts on this project in our region."

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.
