

ACTIVITIES REPORT

JUNE 2022 QUARTER

HIGHLIGHTS

OPERATIONS

- Record quarterly gold production of 32,018 ounces (Q3: 31,769 ounces) for the June 2022 quarter completes an outstanding first full year of operations.
- Annual gold production of 118,432 ounces at the top end of FY22 guidance of 110,000 – 120,000 ounces and all in sustaining cost AISC of \$1,112 per ounce for the nine months ended 30 June 2022 at the lower end of guidance range of \$1,100 - \$1,200/oz.
- AISC for the quarter of \$1,199 per ounce was higher than Q3 (\$1,086/oz) primarily due to higher stripping ratio of 6.1 (Q3: 3.3) as waste was preferentially mined to open stages 3 and 4 of the pit for higher ore supply (and normalisation of strip) in coming quarters.
- Strong cash flow generation from operations continues with \$38.1 million (Q3: \$35.1m) taking cashflow from operations for the full year to \$141.0 million.
- FY23 guidance of 115,000 – 125,000 ounces at AISC of \$1,160 - \$1,260 per ounce and growth capital of \$10 - 14 million.
- AISC at Karlawinda continue to be amongst the lowest in the Australian gold industry despite industry wide cost pressures and Capricorn expects to continue its industry leading cashflow generation per ounce of production in FY2023.

CORPORATE

- Cash and gold on hand at quarter end \$65.9 million (Q3: \$45.0m) reflecting cash build of \$20.9 million (Q3: \$25.0 million).
- Net cash of \$0.9 million at end of June 2022 quarter, up from net debt of \$20.0m at end of the previous quarter. Achieving a net cash position within first year of operations reflects the strong operating performance and cashflow generation of KGP.
- Gold sales of 33,818 ounces at average price of \$2,611/oz generated \$88.3 million in revenue with a further 1,664 ounces of gold on hand at the end of the quarter valued at \$4.4 million (Q3: 2,567oz's).
- Acquisition of the Mumbakine Well Project located 10 kilometres from the KGP processing plant provides outstanding opportunity to add satellite resources and mill feed to the KGP.
- Shortly after the end of the quarter, the Company converted its project loan facility with Macquarie bank into a general-purpose corporate loan facility and made an early repayment of \$15 million reducing the outstanding principal to \$50 million.

EXPLORATION

Mt Gibson

- A total of 50,282 metres (326 holes) of RC resource definition and extension drilling programme completed in the June 2022 quarter.
- Assays received during the quarter from 280 holes continue to return exceptional results within and extensional to the resource including:

Outside current resource

- | | |
|---|--|
| • 4 metres @ 118.74g/t from 142 to 146m | • 35 metres @ 1.55g/t from 200 to 235m |
| • 10 metres @ 6.08g/t from 48 to 58m | • 5 metres @ 8.09g/t from 199 to 204m |
| • 12 metres @ 3.44g/t from 78 to 90m | • 10 metres @ 4.07g/t from 85 to 95m |
| • 24 metres @ 2.27g/t from 256 to 280m | • 16 metres @ 2.52g/t from 202 to 218m |

Within current resource

- 16 metres @ 3.15g/t from 170 to 186m
 - 20 metres @ 2.72g/t from 107 to 127m
 - 11 metres @ 6.75g/t from 98 to 109m
 - 10 metres @ 4.48g/t from 58 to 68m
 - 17 metres @ 3.61g/t from 37 to 54m
 - 5 metres @ 17.23g/t from 79 to 84m
 - 34 metres @ 2.93g/t from 121 to 155m
 - 12 metres @ 6.85g/t from 144 to 156m
- Drilling on the unmined Saratoga and Orion North trends (east of the main Gibson trend) has defined zones of better grade within the resource shell and extending below the resource shell.
 - Capricorn has expanded the programme from 81,000m to 105,000m in order to follow up and extend strong results returned both within and outside current resource optimisation shells.
 - Results from this extended programme of drilling will be included in the updated Mineral Resource Estimate (MRE) in September 2022 and maiden Ore Reserve Estimate (ORE) in October 2022.
 - In an important step for development of the project, Capricorn's application for a mining lease over the area required for a mining operation has been granted for an initial term of 21 years.

Karlawinda

- 18,308 metres (85 holes) of resource infill and extension RC drilling programme completed in the June 2022 quarter.
 - Assays have been returned from 51 holes with encouraging gold results including:
 - 10 metres @ 5.04g/t from 99 to 109m*
 - 3 metres @ 11.16g/t from 169 to 172m*
 - 22 metres @ 1.20g/t from 152 to 174m
 - 18 metres @ 1.40g/t from 140 to 158m
 - 18 metres @ 1.36g/t from 197 to 215m*
 - 26 metres @ 1.19g/t from 168 to 194m
 - 6 metres @ 4.36g/t from 54 to 60m
 - 26 metres @ 0.97g/t from 175 to 201m*
- * intercept outside the current 2020 MRE
- High grade intercepts have been returned near the base of, below and along strike of current resource pit optimisations, which remain open down dip and south along strike.
 - Results to form part of update to the Karlawinda MRE targeted for September 2022 and ORE in October 2022.



Drilling at Mt Gibson Gold Project

JUNE 2022 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 Mount Gibson Gold Project (MGGP) located 65 kilometres north-east of Wubin in the Mid-West region of Western Australia.

Karlawinda Gold Project

The KGP completed its third full quarter of steady state production in the June 2022 quarter. The operation continued to perform strongly with record gold production of 32,018 ounces (Q3: 31,769 ounces). This excellent result, which takes full year production to 118,432 ounces, sees Capricorn achieve the upper end of the annual production guidance range of 110,000 - 120,000 ounces. All-in sustaining cost (AISC) for the nine months ended 30 June 2022 was \$1,112 per ounce, at the lower end of the AISC guidance range for the year of \$1,100 - \$1,200 per ounce.

Cash cost before royalties for the quarter was \$1,067 per ounce and the AISC was \$1,199 per ounce. The higher AISC was driven primarily by significantly higher mining volumes and strip ratio due to the utilisation of a third mining fleet to predominately mine waste material to open up stage 3 and 4 of the Bibra open pit and provide access to ore supply in the coming quarters. The strip ratio is expected to trend down towards life of mine average of 3.6 over the coming quarters.

Operating results for the KGP for the June 2022 quarter were as follows:

	<i>Unit</i>	Jun 22Q	Mar 22Q	Dec 21Q	Sept 21Q
Operations					
Ore mined	<i>BCM ('000)</i>	546	750	892	602
Waste mined	<i>BCM ('000)</i>	3,357	2,505	1,582	1,511
Stripping ratio	<i>w:o</i>	6.1	3.3	1.8	2.5
Ore mined	<i>t ('000)</i>	1,153	1,589	1,998	1,200
Ore milled	<i>t ('000)</i>	1,172	1,149	1,150	978
Head Grade	<i>g/t</i>	0.89	0.92	0.90	0.84
Recovery	<i>%</i>	95.0	93.8	91.3	92.6
Gold production	<i>Oz</i>	32,018	31,769	30,316	24,329
Financial					
Cash cost	<i>A\$/oz</i>	1,067	942	842	N/A
Cash cost inc. royalties	<i>A\$/oz</i>	1,196	1,054	963	N/A
All-in sustaining cost	<i>A\$/oz</i>	1,199	1,086	1,048	N/A

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

Mining

Mining continued in the Bibra open pit with total movement of 3.9 million BCM during the quarter up from 3.3 million BCM in the March 2022 quarter as the third mining fleet was optimised during the quarter.

Ore mining continued primarily as a blend of oxide from stage 2 and 3 of the Bibra open pit with laterite zones in stage 3 mined. The strip ratio for the quarter increased to 6.1 (w:o) as the third mining fleet predominately focussed on the mining of waste material to open up ore zones in stage 3 and 4 of the Bibra open pit. The higher strip mined in this quarter brings the full year strip ratio to 3.2 moving in line with the life of mine average of 3.6.

A total of 1.2 million tonnes of ore was mined during the quarter, with ore stocks steady at 2.1 million tonnes.



Bibra open pit

Processing

Mill throughput was consistent with the previous quarter with a total of 1.17 million tonnes processed at a grade of 0.89g/t. The mill feed during the quarter was primarily a combination of laterite and oxide ores with a small proportion of transitional ore.

Operational Outlook

Mining volumes are expected to reduce over the September 2022 quarter with the current three mining fleets scheduled to move in the order of 3.6 million BCM.

A scheduled three-day shutdown to complete a mill reline in the September 2022 quarter will reduce processing plant throughput although the impact on gold production is expected to be marginal with expected production only slightly lower than the June 2022 quarter.

FY2023 Guidance

Capricorn expects to continue its strong operational performance in FY2023 with gold production guidance of 115,000 – 125,000 ounces at an AISC range of \$1,160 – \$1,260 per ounce.

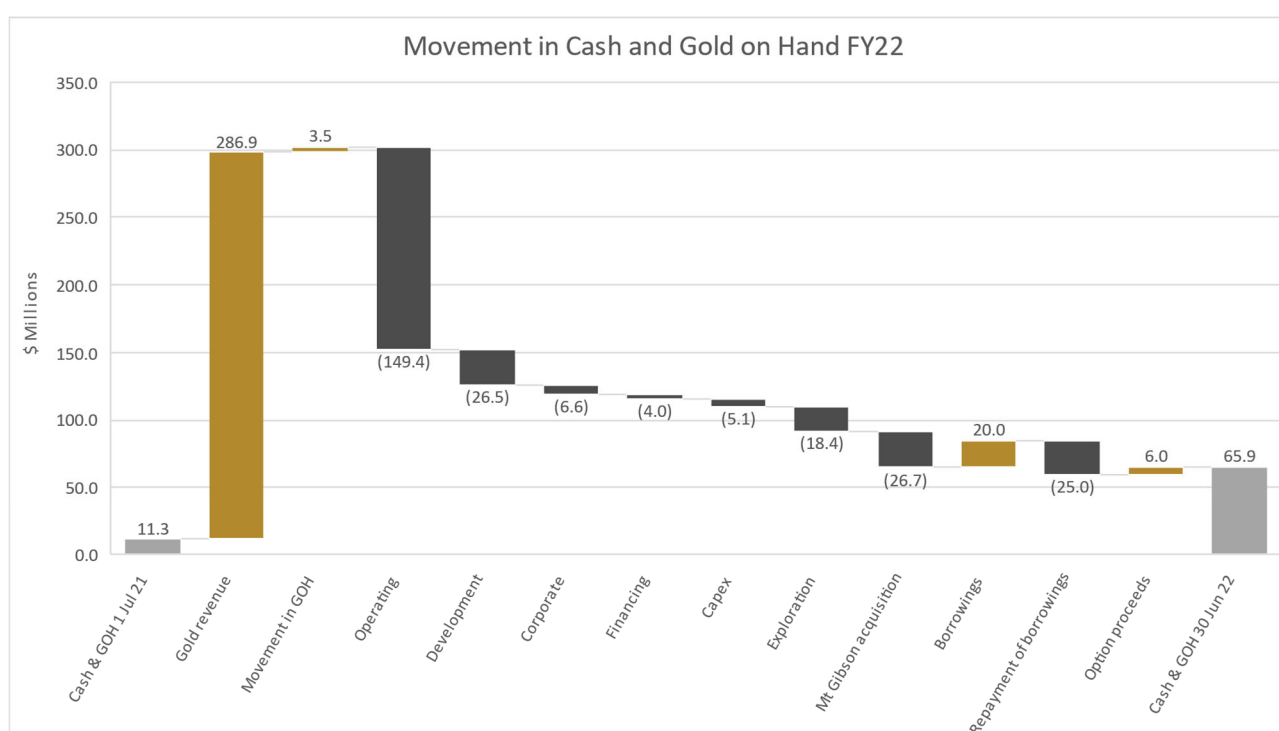
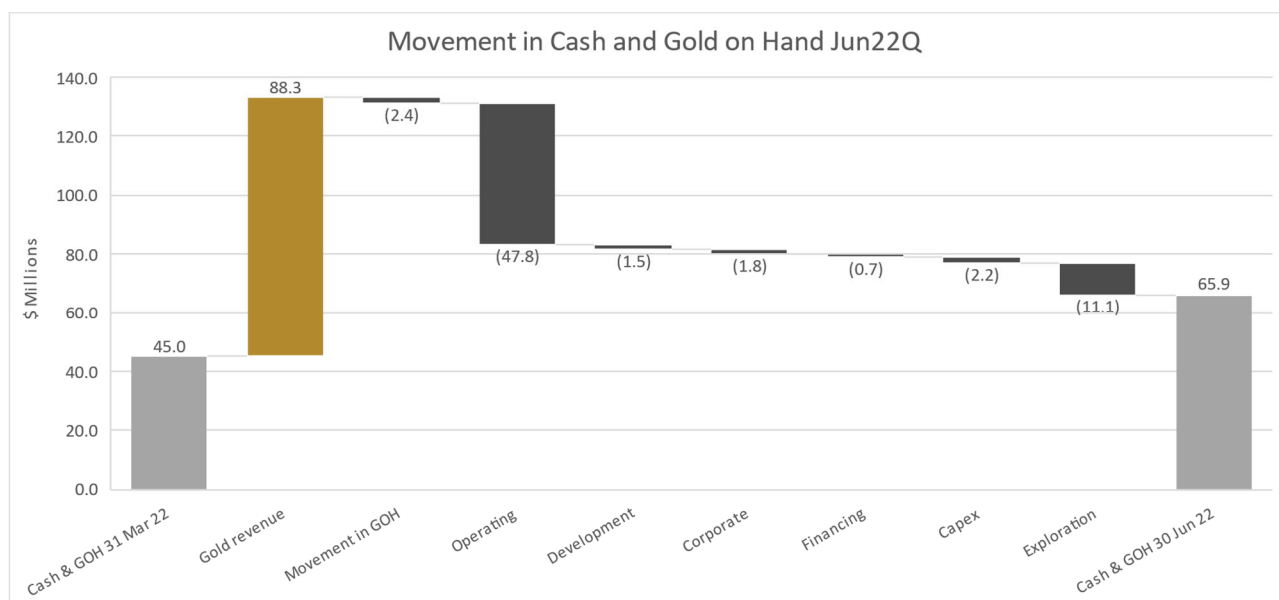
KGP costs continue to be amongst the lowest in the Australian gold industry despite industry wide cost pressures. It is expected that the project's industry leading cashflow generation per ounce of production will continue in FY2023.

Total growth capital expenditure for FY2023 is expected to be in the order of \$10 - 14 million and includes the second lift of the TSF embankment and the early pre-strip and cut back of stage 4 of the Bibra pit to provide ore access in FY24 and beyond.

Corporate

Cash and Bullion

Another strong quarter of operating cashflow from the KGP of \$38.1 million (Q3: \$35.1 million) saw Capricorn cash and bullion holdings increase to \$65.9 million (Q3: \$45.0m). Net cash of \$0.9 million at the end of June 2022 was up from net debt of \$20.0 million at the end of the previous quarter. The project generated \$141.0 million in operating cashflow for the full year with strong conversion to cash on the balance sheet reflecting the robust operating performance and cashflow generation of KGP.



Financing Facility Restructure

Shortly after the end of the quarter, the Company repaid \$15 million of its project loan facility with Macquarie Bank, taking cumulative repayments to \$40 million since September 2021. The \$15 million repayment included a \$5 million early, unscheduled repayment and reduces the principal outstanding to \$50 million.

Based on the strength of the KGP life of mine outlook, Macquarie agreed to convert the \$50m outstanding to a general-purpose corporate loan facility with a single bullet repayment in June 2025. Capricorn can elect to early repay (part or full) the loan at any time without penalty.

Gold Sales & Hedging

During the quarter Capricorn sold a total of 33,818 ounces achieving an average gold price of \$2,611 per ounce for \$88.3 million. At the end of the quarter the Company had 1,664 ounces (Q3: 2,567 oz) of gold on hand valued at \$4.4 million.

The Company delivered 3,053 ounces into gold forward sales contracts at an average price of \$2,248 per ounce. The remaining 30,765 ounces of sales were delivered at the prevailing spot price achieving an average gold price of \$2,647 per ounce.

As part of the financing restructure, 30,000 ounces of gold forward sale contracts with an average delivery price of A\$2,247/oz have been rolled from July 22 - Dec 22 to Dec 25 - June 26 to align with the maturity date of the new corporate loan facility. The contango earned from rolling those contracts to match the loan maturity has been applied to 39,000 ounces of existing gold hedging due for delivery in March – September 2023, increasing the delivery price of those contracts from A\$2,247/oz to A\$2,295/oz. After the restructure the Company has 164,947 ounces of flat forward contracts remaining at an average delivery price of \$2,260 per ounce and 7,140 ounces of rolling spot deferred contracts at an average delivery price of \$2,681 per ounce.

Acquisition of Mumbakine Well Project

In May 2022 the Company announced the acquisition of the Mumbakine Well Project located contiguous to the KGP and only 10 kilometres from the KGP processing plant. As part of the acquisition, Capricorn paid Gascoyne Resources Ltd \$1.25 million in Capricorn shares and granted a 0.5% net smelter royalty on all gold produced from the project as well as contingent deferred payments of \$3.5 million (refer ASX Announcement 30 May 2022). The project is highly prospective and provides an outstanding opportunity to add satellite resources and ultimately mill feed to the KGP.

Payments to Related Parties

During the quarter, payments to related parties of Capricorn and their associates (being the Company's directors) totalled \$178,750. The payments were remuneration for their roles, including superannuation.

Exploration

Mt Gibson

Infill and Extensional RC Drilling

In January 2022 two RC rigs commenced drilling a planned 81,000 metre drill programme across the 8 kilometres of strike of current resources at the Company's 100% owned Mt Gibson Gold Project (MGGP).

The objectives of this programme included:

- Infill drilling of the resource to broadly bring the drill density to 25 x 25 metres;
- Test gaps between resource pit optimisation shells along the 8 kilometres of strike; and
- Test for extensions of gold mineralisation below the current resource shells.

Early results from this drilling were announced in April 2022 based on the first 29,842 metres of drilling. To the end of June 2022 a further 50,282 metres of drilling has been completed taking the total drilling to 80,124 metres. Following a review of very encouraging ongoing results Capricorn has extended the programme to 105,000 metres to continue testing strong extensional areas.

The 514 holes (80,124 metres) completed to date have mainly focussed on the Orion Mine Trend, one of the more significant areas of the 2.08 million ounce resource at MGGP.

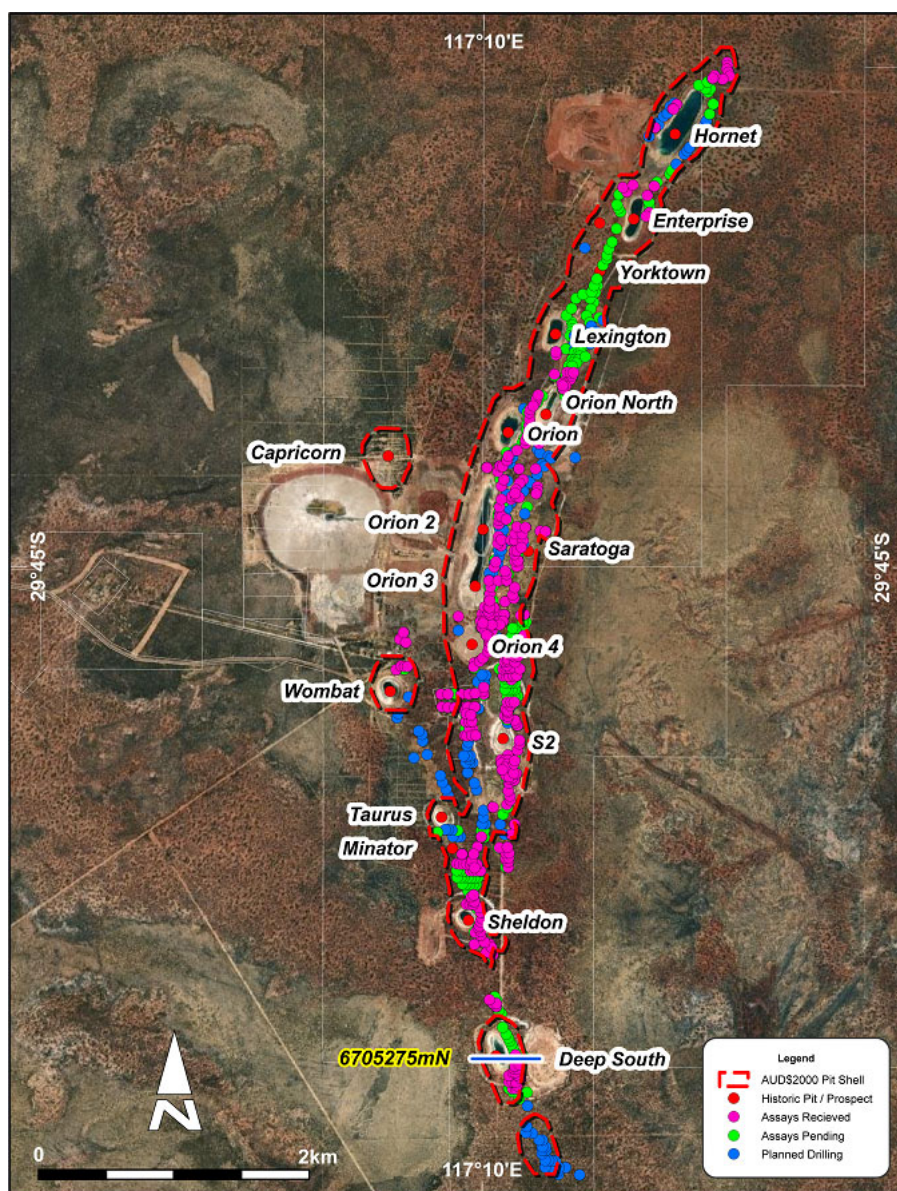


Figure 1. Drilling progress over the MGGP 8km long mine trend & MRE pit crests

Assays received during the quarter from 280 holes continue to return very encouraging results including:

Hole No	Easting	Northing	From (m)	To (m)	Width (m)	Grade (g/t Au)
CMRC052	516230.61	6709301.76	170	186	16	3.15
CMRC058	516241.54	6709551.45	107	127	20	2.72
CMRC063	516287.49	6709700.24	78	107	29	1.56
CMRC071	516448.02	6709996.06	79	84	5	17.23
CMRC078	516553.44	6709843.35	98	109	11	6.75
CMRC0101*	516504.82	6709631.304	78	90	12	3.44
CMRC0138	516354.23	6705274.023	121	155	34	2.93
CMRC0182*	516380.9	6705223.34	142	146	4	118.74
CMRC0202	515996.7	6706408.138	54	62	8	5.99
CMRC1014	516349.79	6709023.71	69	77	8	5.25
CMRC1016*	516399.85	6709047.41	199	204	5	8.09
CMRC1017	516322.22	6709399.38	59	78	19	2.62
CMRC1017*	516322.22	6709399.38	256	280	24	2.27
CMRC1018	516331.64	6709424.13	41	52	11	3.76
CMRC1028	516253.55	6709401.16	144	156	12	6.85
CMRC1035*	516312.08	6707208.589	93	96	3	13.65
CMRC1040	516337.09	6707349.23	58	68	10	4.48
CMRC1044	516250.67	6707476.45	50	63	13	3.31
CMRC1046	516300.63	6707475.158	48	58	10	6.08
CMRC1067*	516347.07	6707773.923	85	95	10	4.07
CMRC1070	516298.2	6707800.184	37	54	17	3.61
CMRC1094	516288.48	6708100.401	43	51	8	5.38
CMRC1137	517524.16	6712292.974	204	216	12	3.55
CMRC2005	516091.3	6708205.487	58	66	8	5.69
CMRC2015*	516138.1	6708403.01	202	218	16	2.52
CMRC2030*	516164.32	6708608	200	235	35	1.55

*intercept is outside the current 2021 MRE

A comprehensive table of significant results and JORC information is included in the announcement released on 26 July 2022.

Results of this extended programme will underpin an updated MRE targeted for completion in September 2022 and a maiden ORE targeted for completion in October 2022. Capricorn's current MRE of 79.7Mt at 0.8g/t Au for 2.083 million ounces is all classified as Inferred (in spite of drill density of 25m x 25m for the majority of the resource) due to the need to validate the quality of historical data.

The assays received from drilling to date continue to line up with the historic data both spatially and for grade tenor, providing validation of the historic +660,000 metre drill database acquired with the project in July 2021 and the expectation that a significant proportion of the Inferred resource will be converted to Indicated category.

Current and previously reported drilling at the depth extremities of the resource optimisation shells (where historic drill density is broader spaced) and below them has returned results consistent with Capricorn's geological interpretations of mineralisation location, widths and grade tenor. Drilling across the project to date indicates that mineralisation remains open down dip and along strike to the north and south with multiple stacked lodes intersected.

Drilling along the Saratoga trend and Orion North trend (unmined structure to the east of the main mined Mt Gibson trend) has defined zones of better grade within the resource shell and assay results that extend below the resource shell (refer Figure's 5 & 6 – Cross section 6709430mN and 6709050mN).

Long Sections and Cross Sections

The plan below shows the drilling activity from the infill and extensional RC programme and the location of the following long and cross sections.

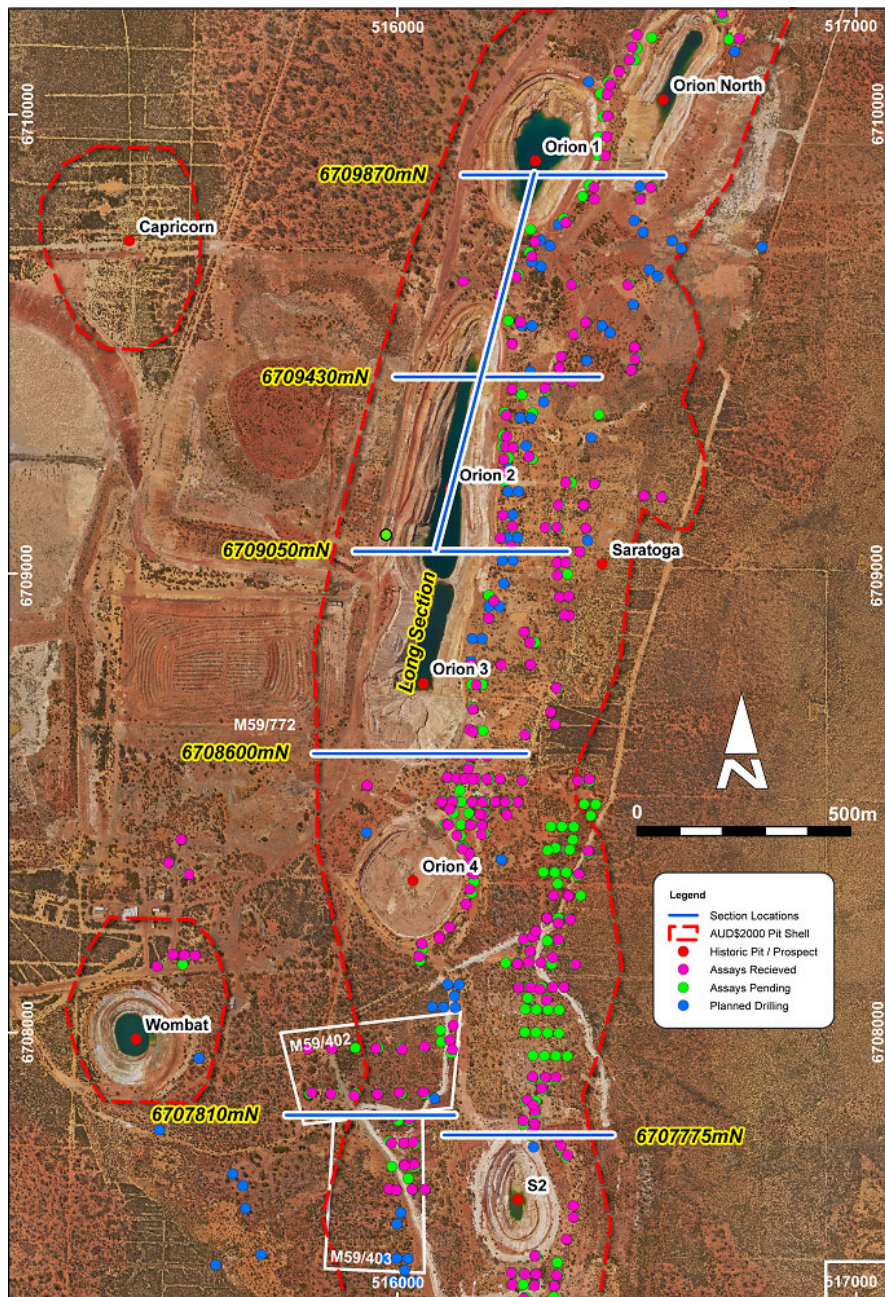


Figure 2. Long and cross section locations

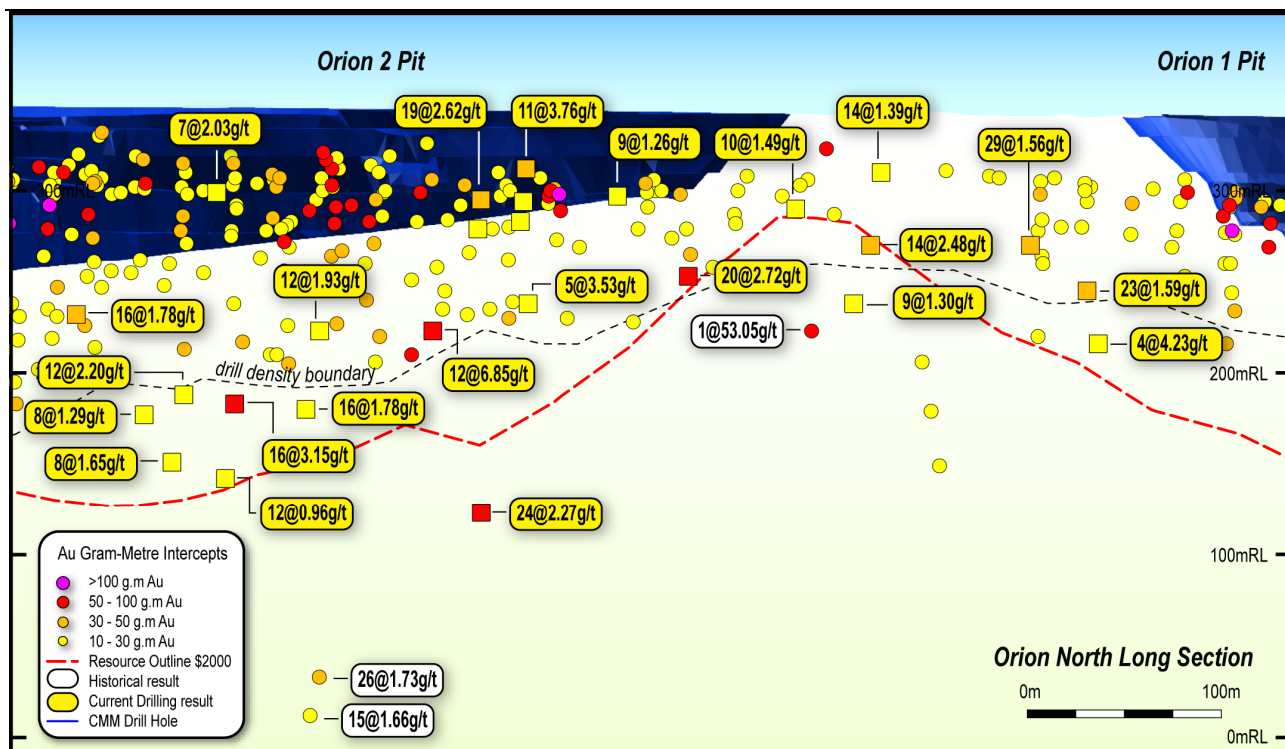


Figure 3. Orion North long section

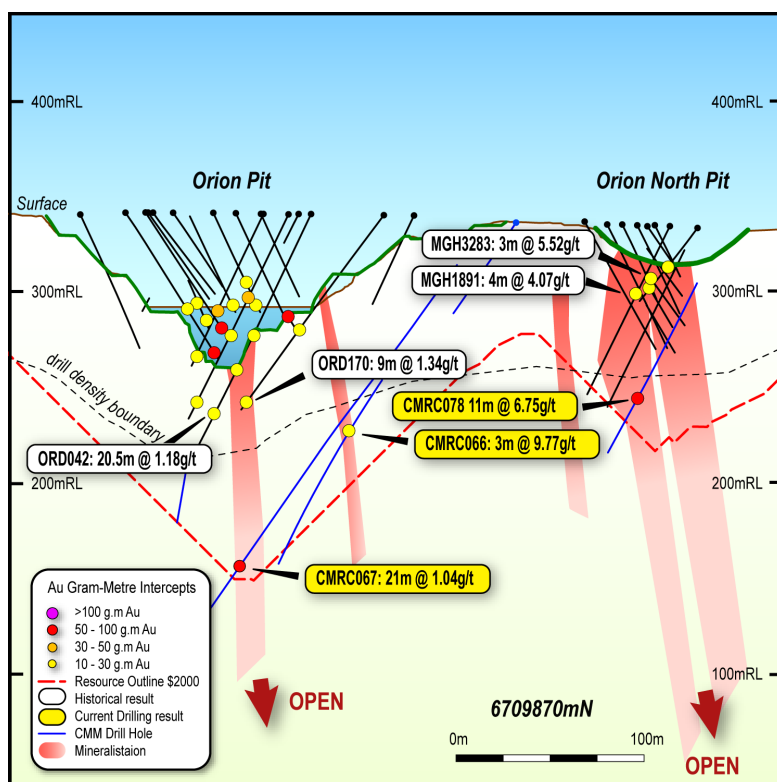


Figure 4. Orion & Orion North cross section

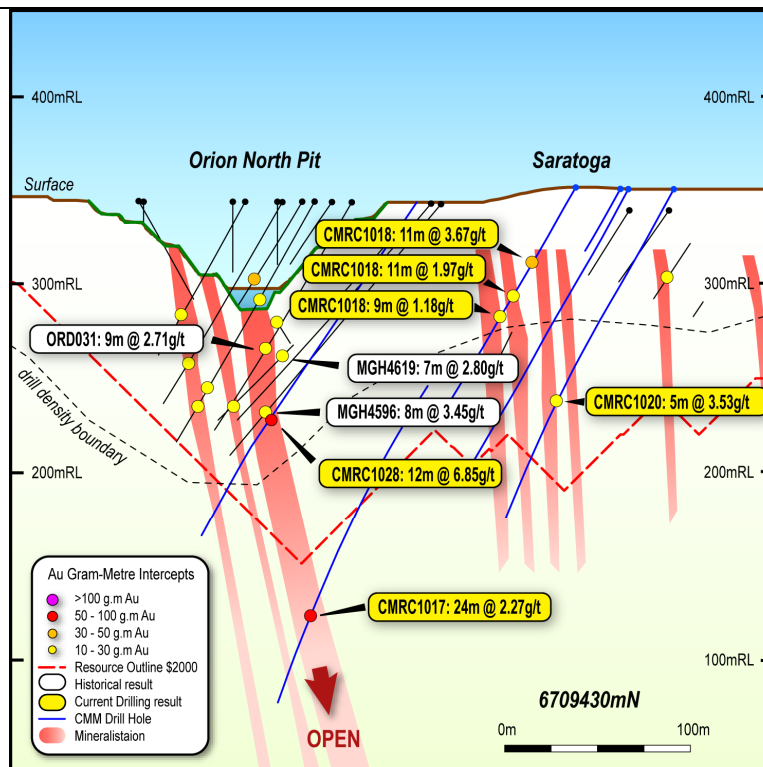


Figure 5. Orion and Saratoga cross section

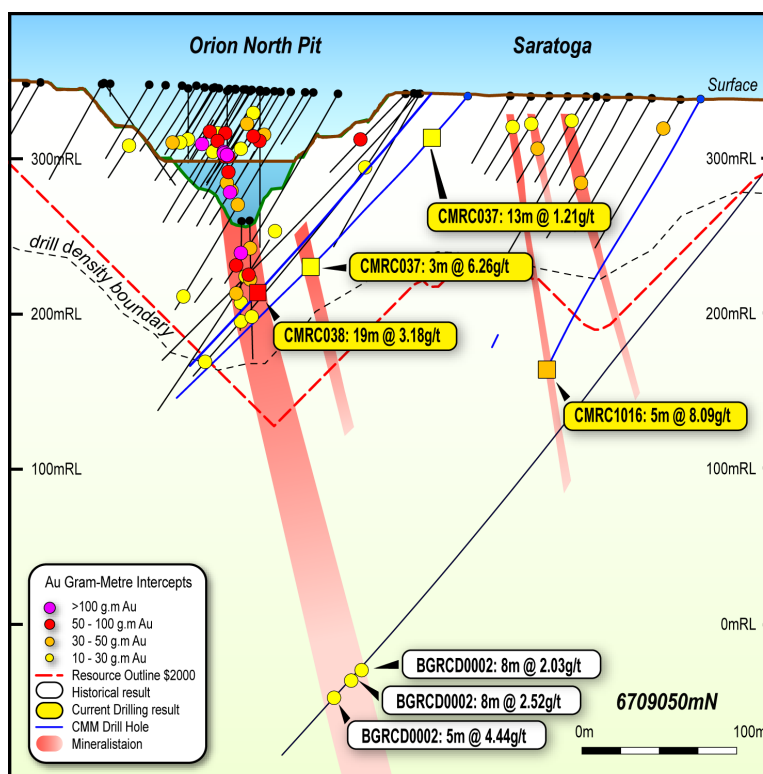


Figure 6. Orion and Saratoga cross section

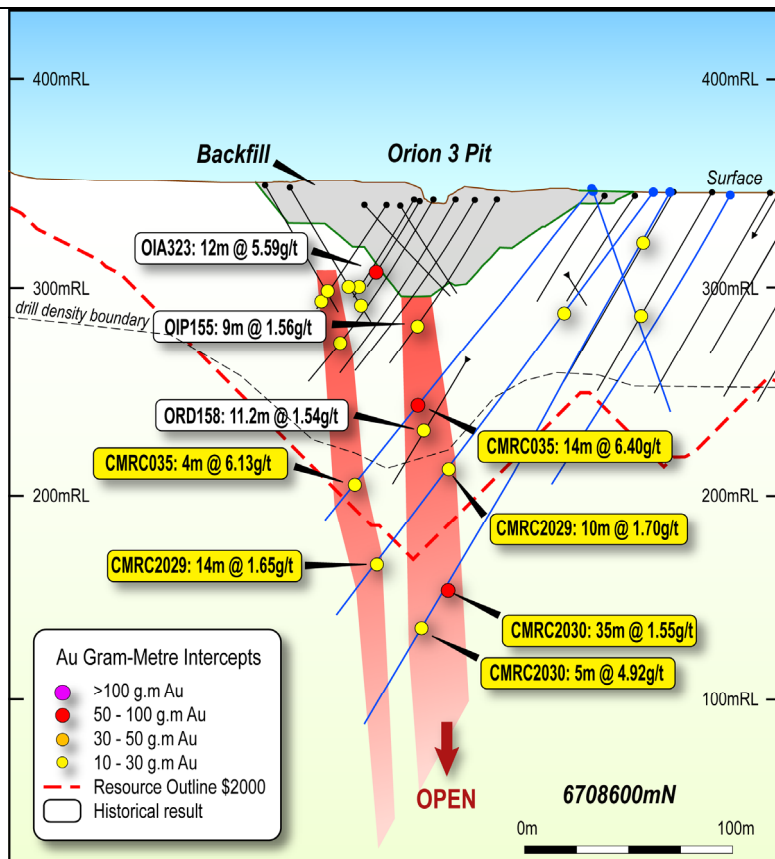


Figure 7. Orion 3 cross section – extensional drilling following up previously reported CMRC035 intercept

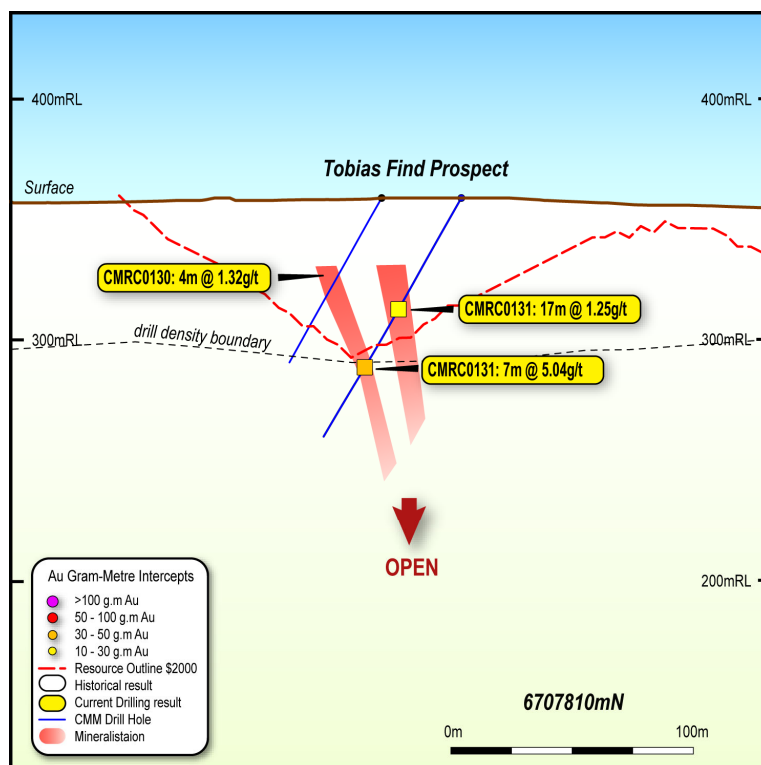


Figure 8. Tobias Find Prospect cross section

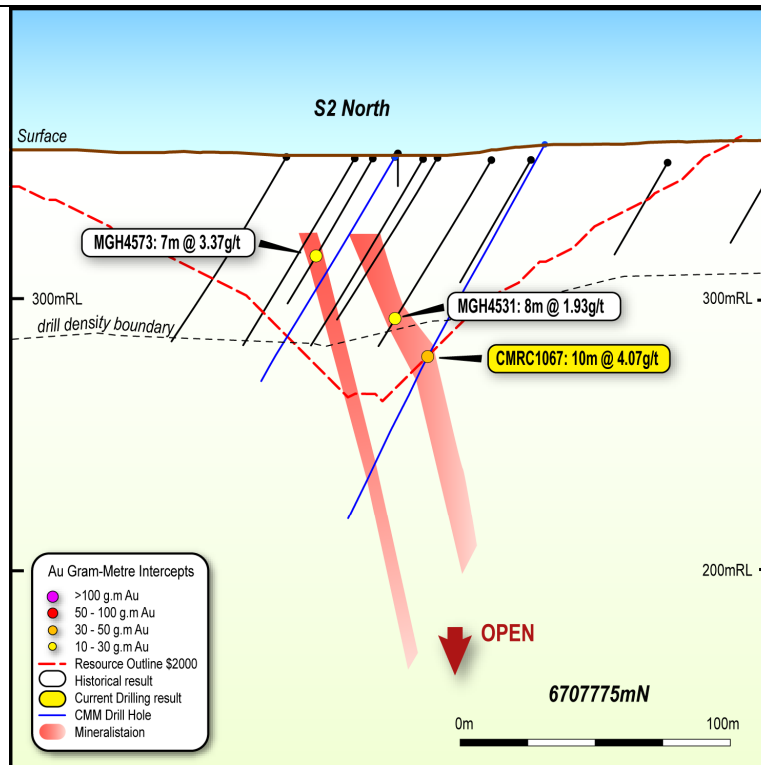


Figure 9. S2 North cross section

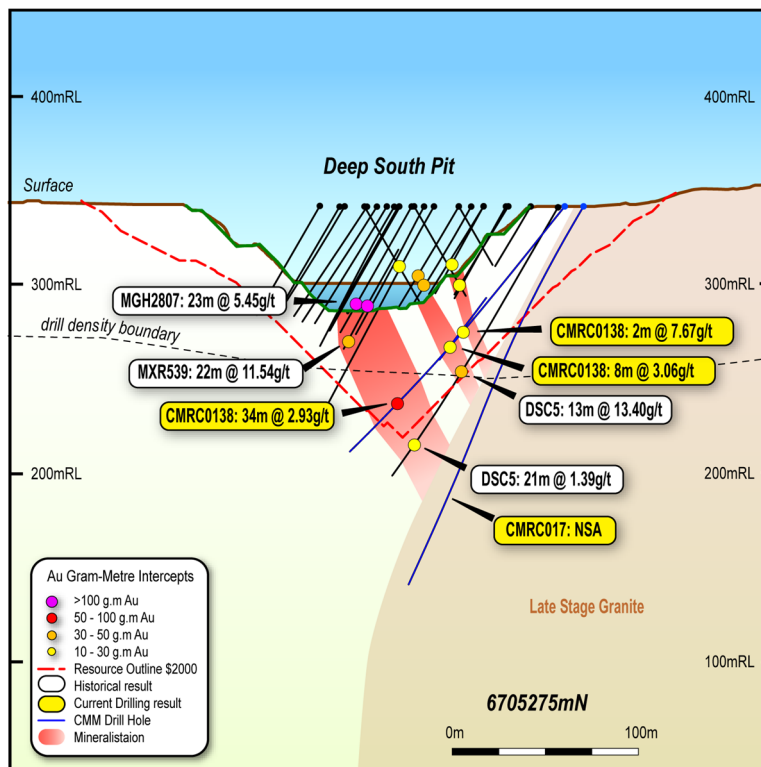


Figure 10. Deep South cross section

Mt Gibson Mine Trend

A drone magnetic geophysical survey was completed over the northern extent of the Mt Gibson mine trend during the quarter upgrading current imagery and generating multiple high priority targets. Imagery has defined geological and structural signatures north of the current mine trend known to host mineralised deposits within the MGGP.

Due to the close proximity to significant in-situ resources and the trend's geological and structural signatures, this target area is considered highly prospective for further gold discovery.

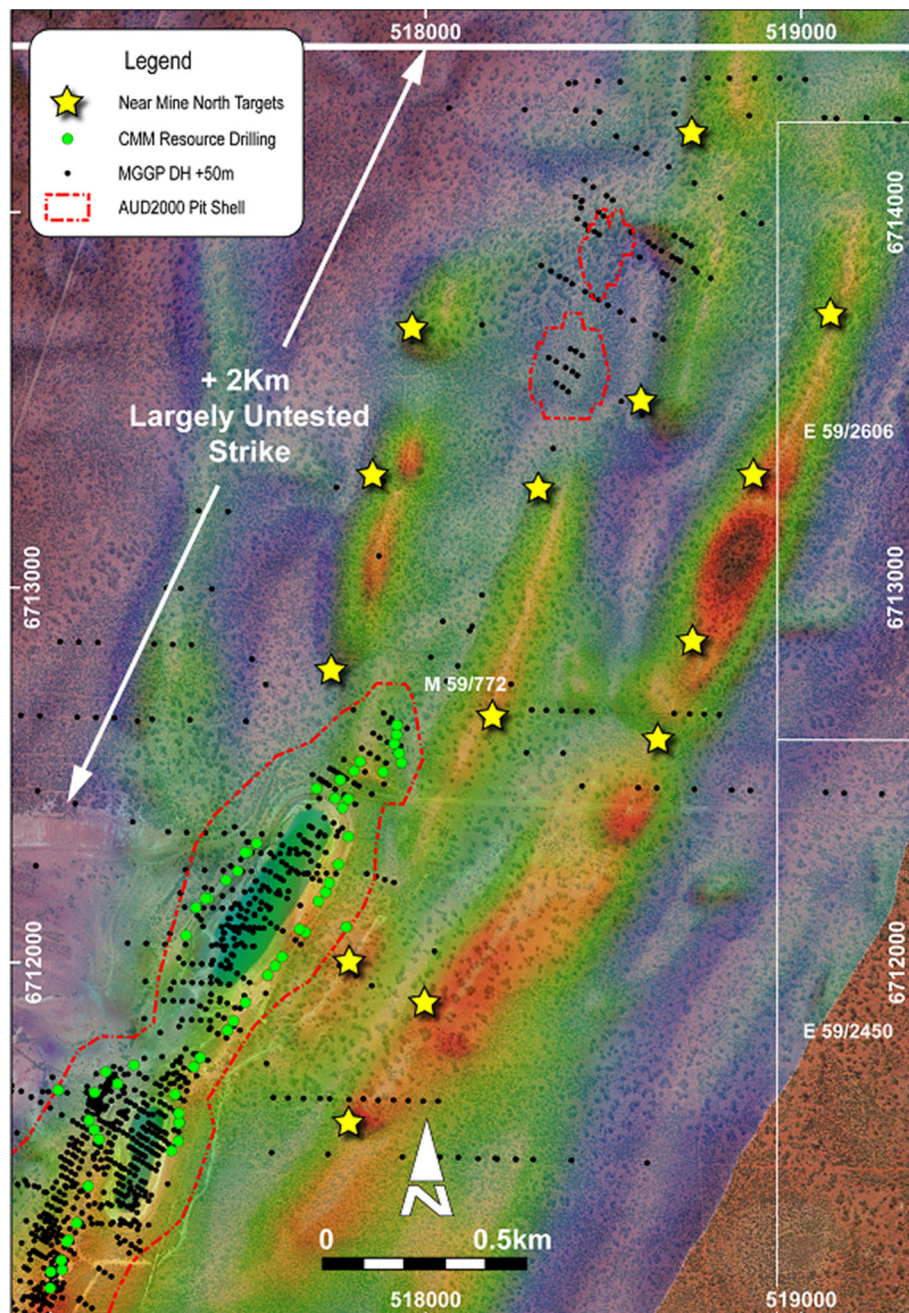


Figure 11. Aeromagnetic survey of northern extent of Mt Gibson Mine Trend

Project Development

Technical work and studies across numerous disciplines as required for reserve estimation, feasibility studies, permitting applications and ultimately project development continue in parallel with the resource definition drilling.

A total of 3,522 metres (20 holes) of diamond drilling have been completed for technical studies to inform the maiden ORE and feasibility studies. Waste rock, metallurgical (diamond core and bulk RC sampling) and geotechnical testwork programmes have commenced to investigate and define geochemical properties, optimal processing parameters and associated metallurgical performance of ore and waste to be mined from the project.

Systematic multielement sampling of mineralised and barren downhole RC and DD material throughout the current drill area has been completed to gain an understating of the ore and waste rock geochemical characteristics for environmental applications.

Testwork data will provide inputs for the updated MRE targeted for completion in September 2022 and maiden ORE targeted for completion in October 2022.

Mining Lease

In an important step towards development of the MGGP, Capricorn's application for a mining lease at MGGP was granted in June 2022 for an original term of 21 years. The granted mining lease covers all the areas required to fully develop the mining project.

Heritage Surveys

Large scale archaeological and ethnographic clearance works have been completed and are progressing over critical infrastructure and exploration areas.

Karlawinda

Infill and Extensional RC Drilling

A near mine 30,000 metre (129 holes) RC drilling programme commenced in March 2022 at Capricorn's wholly owned Karlawinda Gold Project (KGP) to infill and extend the current MRE of 86.7Mt @ 0.80 g/t for 2.15 million ounces of gold. The programme covers 1.8 kilometres of strike from the Bibra Open Pit to the Southern Corridor and Tramore areas in the south and is designed to:

- Test for extensions of gold mineralisation below the current Bibra Open Pit resource shell;
- Increase drill density of the Southern Corridor and Tramore prospects to upgrade current pit shell optimisations; and
- Test for stacked lodes below areas of shallow drilling between the current Bibra Open Pit and Southern Corridor deposit.

A total of 18,308 metres (85 holes) of drilling was completed during the June 2022 quarter with high grade intercepts returned near the base of, below and along strike of current resource pit optimisations, which remain open down dip and south along strike. Significant results received to date include:

Hole No	Easting	Northing	From (m)	To (m)	Width (m)	Grade (g/t Au)
KBRC1708	203625.5	7367829.3	140	158	18	1.4
KBRC1727*	203652.1	7367480.9	197	215	18	1.36
KBRC1728	203756.8	7367499.6	90	91	1	29.23
KBRC1728*	203756.8	7367499.6	175	201	26	0.97
KBRC1733	203535.5	7367918.2	168	194	26	1.19
KBRC1748	203754.2	7367481.6	152	174	22	1.2
KBRC1752	203594.7	7367913.7	115	125	10	2.13
KBRC1754	203564	7367973.2	54	60	6	4.36
KBRC1760	203199.2	7367972.1	159	177	18	1.17
KBRC1766	203677.6	7367396	135	149	14	1.74
KBRC1782*	203843.1	7367666.7	169	172	3	11.16
KBRC1802*	203915	7368111	99	109	10	5.04

*intercept is outside the current 2021 MRE

A comprehensive table of significant results and JORC information is included in the announcement released on 26 July 2022.

Results of this programme will underpin an updated MRE targeted for completion in September 2022 and updated ORE targeted for completion in October 2022.

Directly south of the Bibra Open Pit, within the Southern Corridor and Tramore area, drill spacing has been reduced to 25 x 25m. Assays for 90% of this area have been returned, with significant intercepts occurring within and below the current \$2,000 optimised resource shell. The encouraging results also intersected a lode to the south along strike of the current pit design. Results from the current programme confirm mineralisation is open down dip and along strike to the south.

The majority of pending assays are within the northern part of the programme area as shown in Figure 13. Drill holes are testing 100m down dip extensions of the Bibra Open Pit and exploring for stacked lodes within areas of shallow drilling between the northern and southern resource area.

In both areas, up to 10m intervals of sulphidic silicious zones and magnetite have been logged. This indicates the existence of stacked lodes and a likely extension of the ore zone within and below the base of the current resource shell.

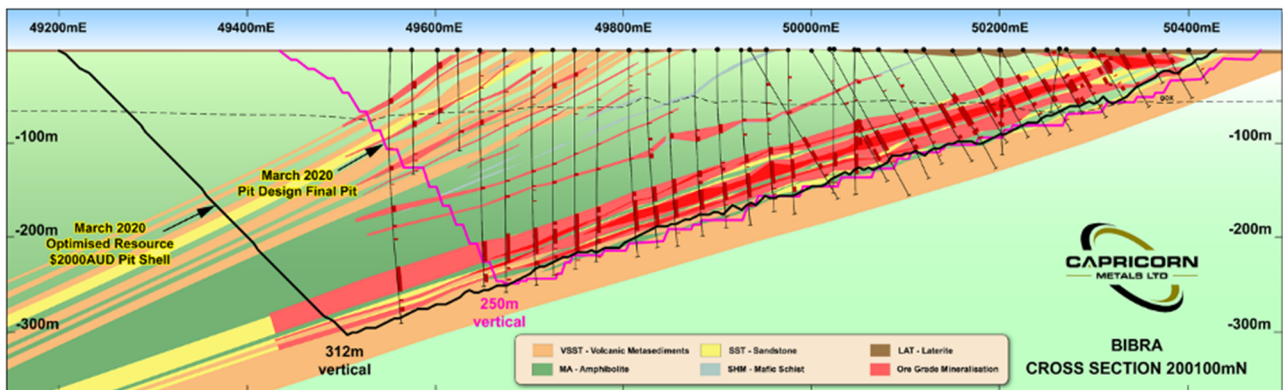


Figure 12. Bibra Open Pit section

Long Section and Cross Sections

The plan below shows the drilling status relative to the current resource shell and the location of the following long and cross sections.

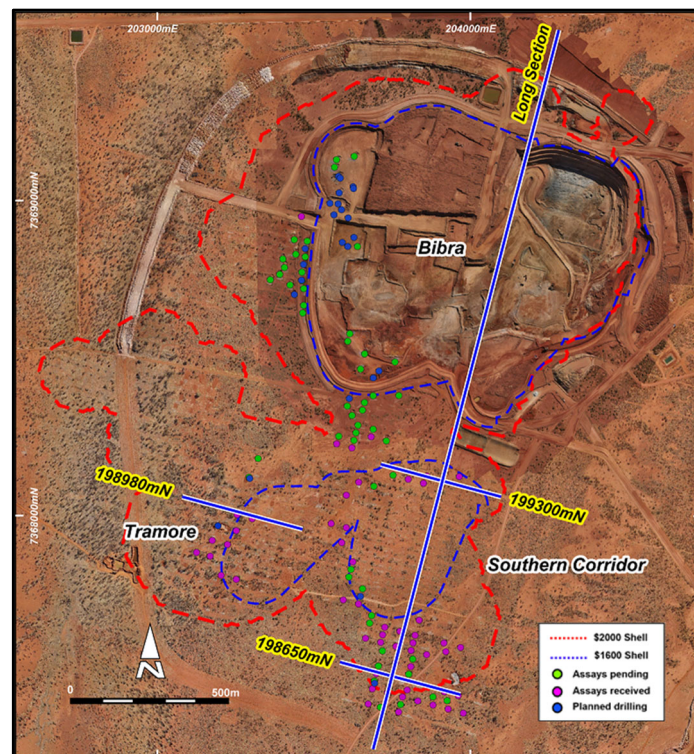


Figure 13. Drilling progress along the KGP 1.8 km long mine trend.

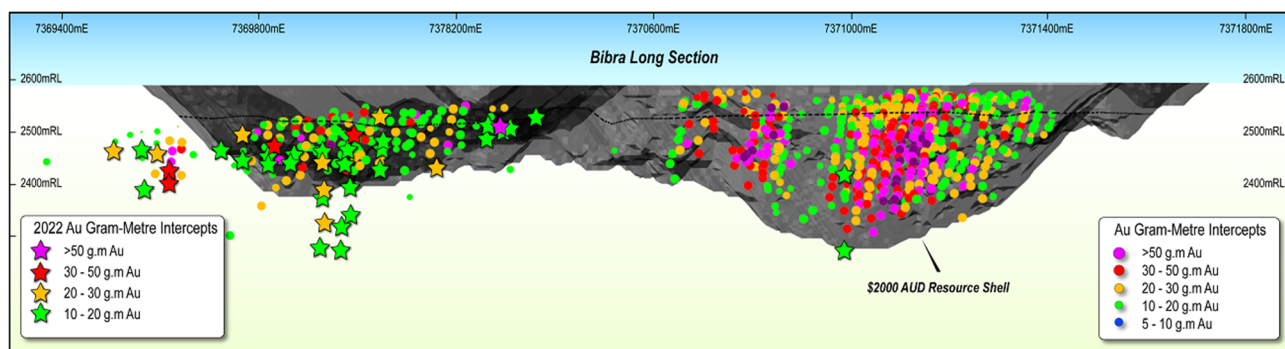


Figure 14. Long section for Bibra trend showing historic and current +10g/m drill intercepts

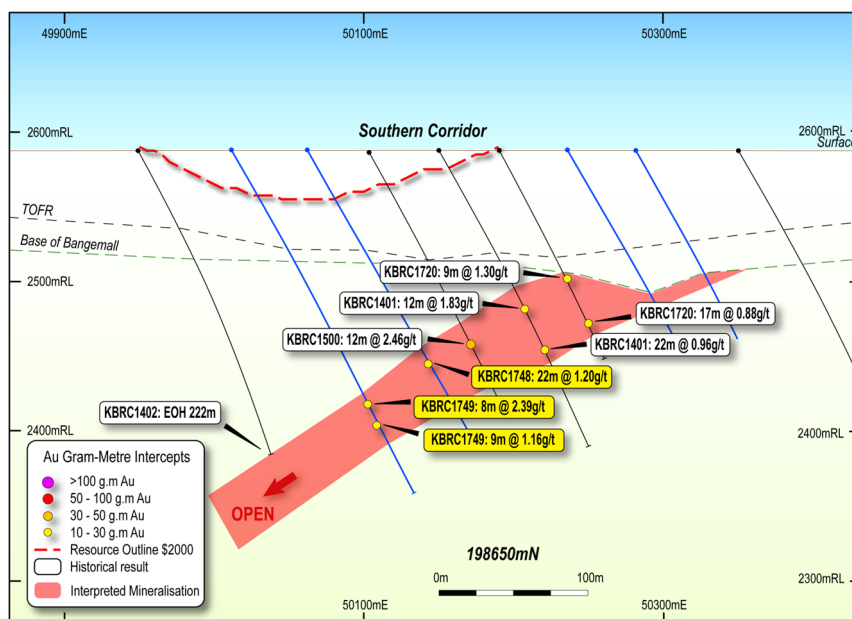


Figure 15. Southern Corridor cross section

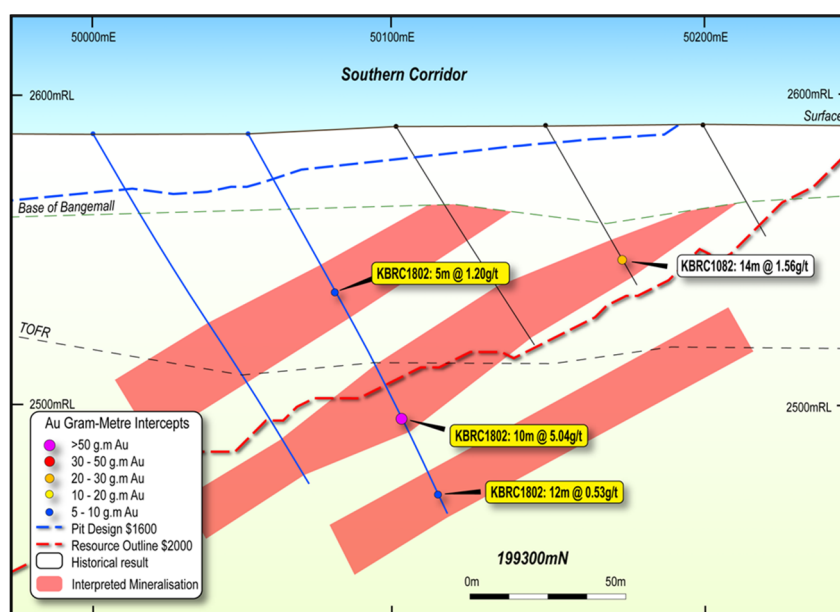


Figure 16. Southern Corridor cross section

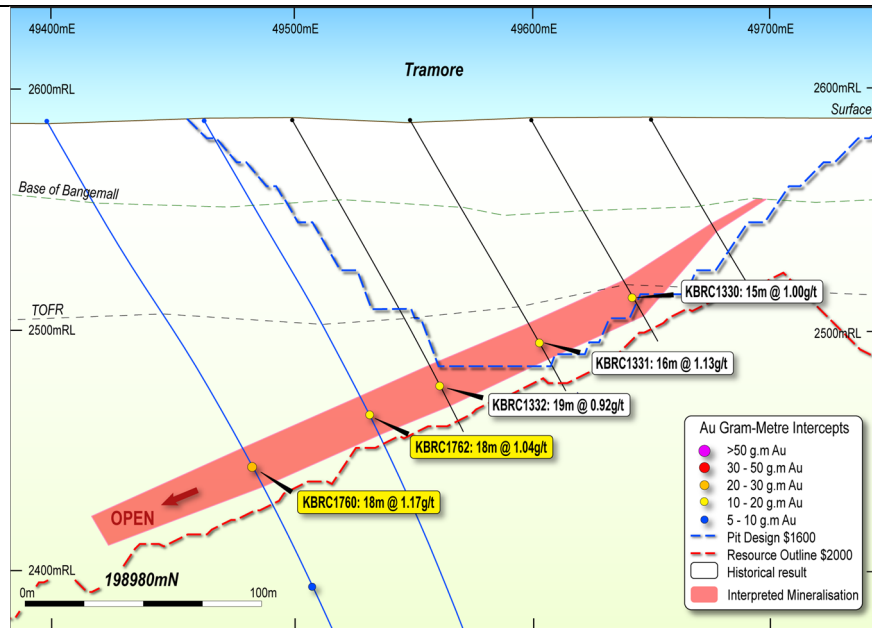


Figure 17. Tramore cross section

Regional Exploration

Multiple exploration projects were advanced during the quarter. Project areas are situated proximal to either the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin (refer Figure 18).

The Nanjilgardy Fault is a regional scale structure that is known to have controls on gold mineralisation in the Pilbara craton, including the Paulsens (ASX: BC8) and Ashburton (ASX: KZR) gold projects. Situated on the southern extents of CMM tenure, the Sylvania Inlier and Pilbara Craton margin 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.

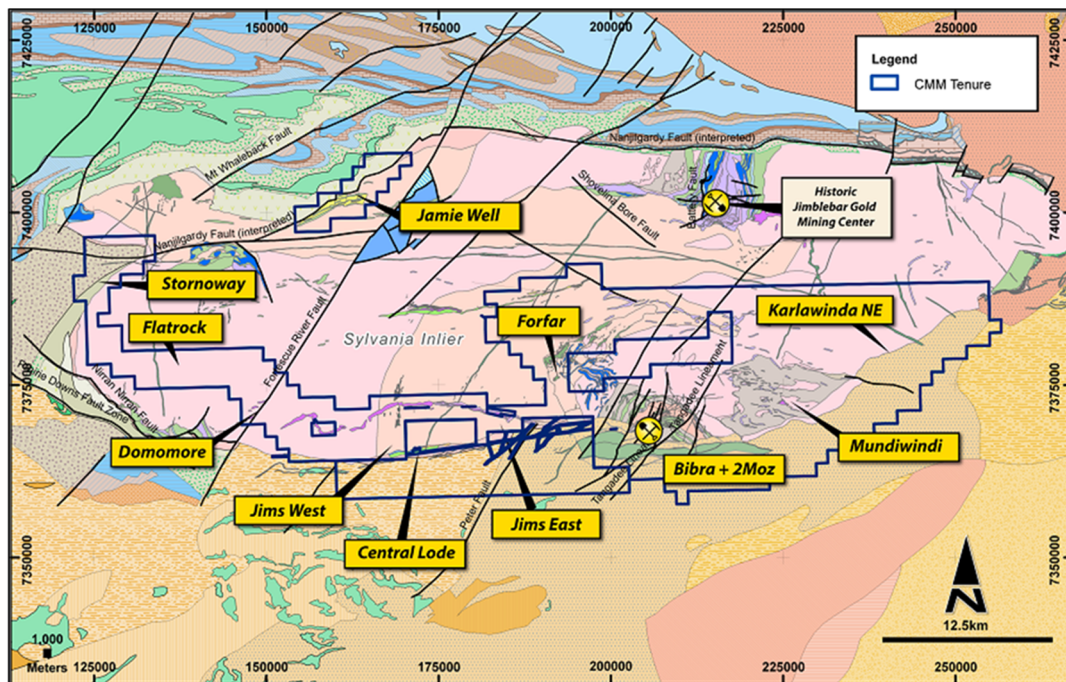


Figure 18. Karlawinda regional exploration targets

Near Mine AC Targeting

A 30,000 metre regional AC drilling campaign has commenced with drilling focusing on project areas along the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin. The significant mineralisation intersected from FY22 first pass drill campaigns at the Mundiwindi, Muirfield and Carnoustie projects validates the exploration targeting strategies and warrant further work.

Drilling will focus on the Mundiwindi, Jim's East and the newly Identified Forfar and Renaissance prospects. RC drilling at the Muirfield prospect is also planned for the current quarter following up mineralisation reported in the December 2021 quarter with further RC and AC drilling planned at Carnoustie in the December 2022 quarter.

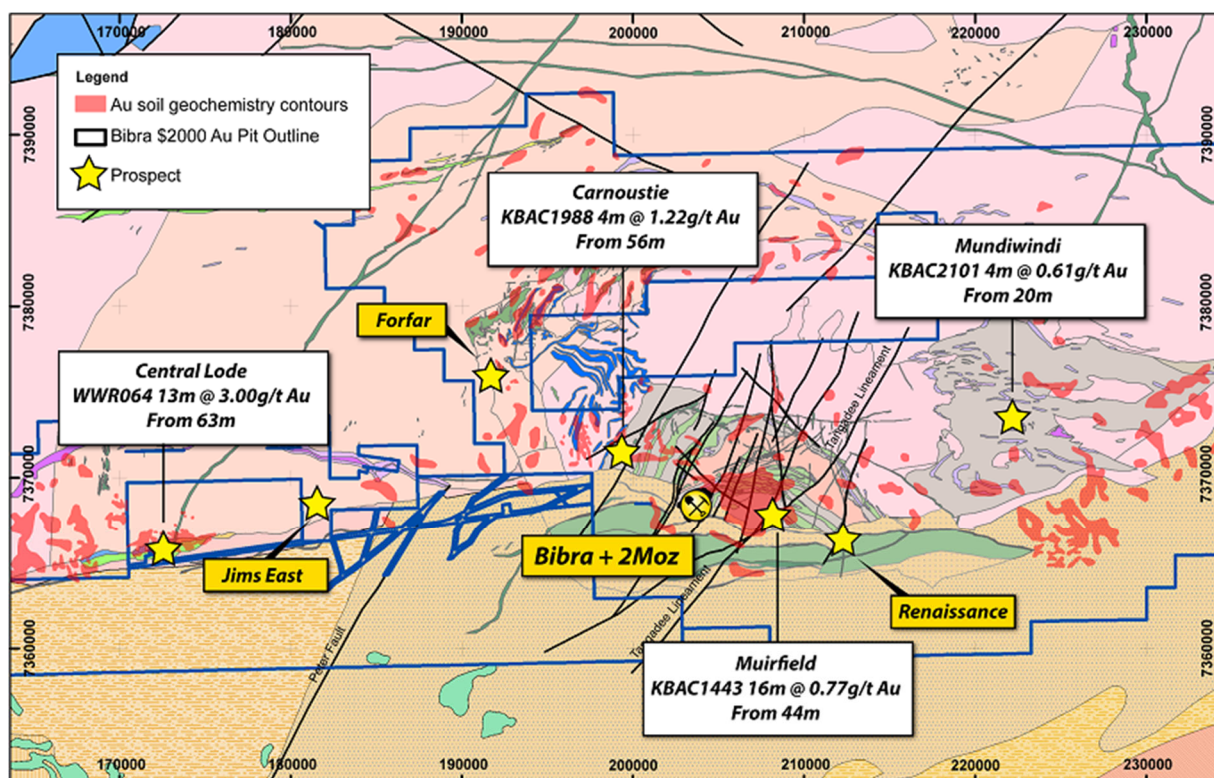


Figure 19. Near mine AC targets showing historic and newly identified gold occurrences along the Sylvania Inlier and Pilbara Craton margin interpreted to play a role in mineralisation at the +2Moz Bibra gold deposit.

Mumbakine Well

The newly acquired Mumbakine Well Project is located on exploration license E52/3531 which is contiguous to Capricorn's existing KGP tenure and is less than 10 kilometres from the processing facility and Bibra open pit. The Project covers approximately 361 square kilometres and lies adjacent to the KGP access road to the Great Northern Highway.

At the Jims Vein prospect, historical rock chips collected from a northerly trending anastomosing quartz vein hosted in granite has returned up to 180 g/t Au, 1.2% Pb, 10 g/t Ag. At the nearby ENE trending Central Lode prospect 1994 RC drilling by Battle Mountain (Australia) Inc intersected, 13m @ 3.00 g/t Au from 63m (refer ASX announcement released 30 May 2022). Mineralisation is hosted in a large ENE shear zone with quartz stockwork vein systems along mafic/sediment contacts and granite/sediment contacts.

Geochemical ultrafine surface sampling (UFF) over the northern extents of E52/3531 and the projects known Au occurrences will commence in the current quarter with first pass Aircore drilling to follow. Undercover gravity high and structural anomalies have been identified and present priority RC drill targets. The RC locations identified sit in proximity to the craton margin and display similar geological and geophysical characteristics to the Bibra Gold deposit.

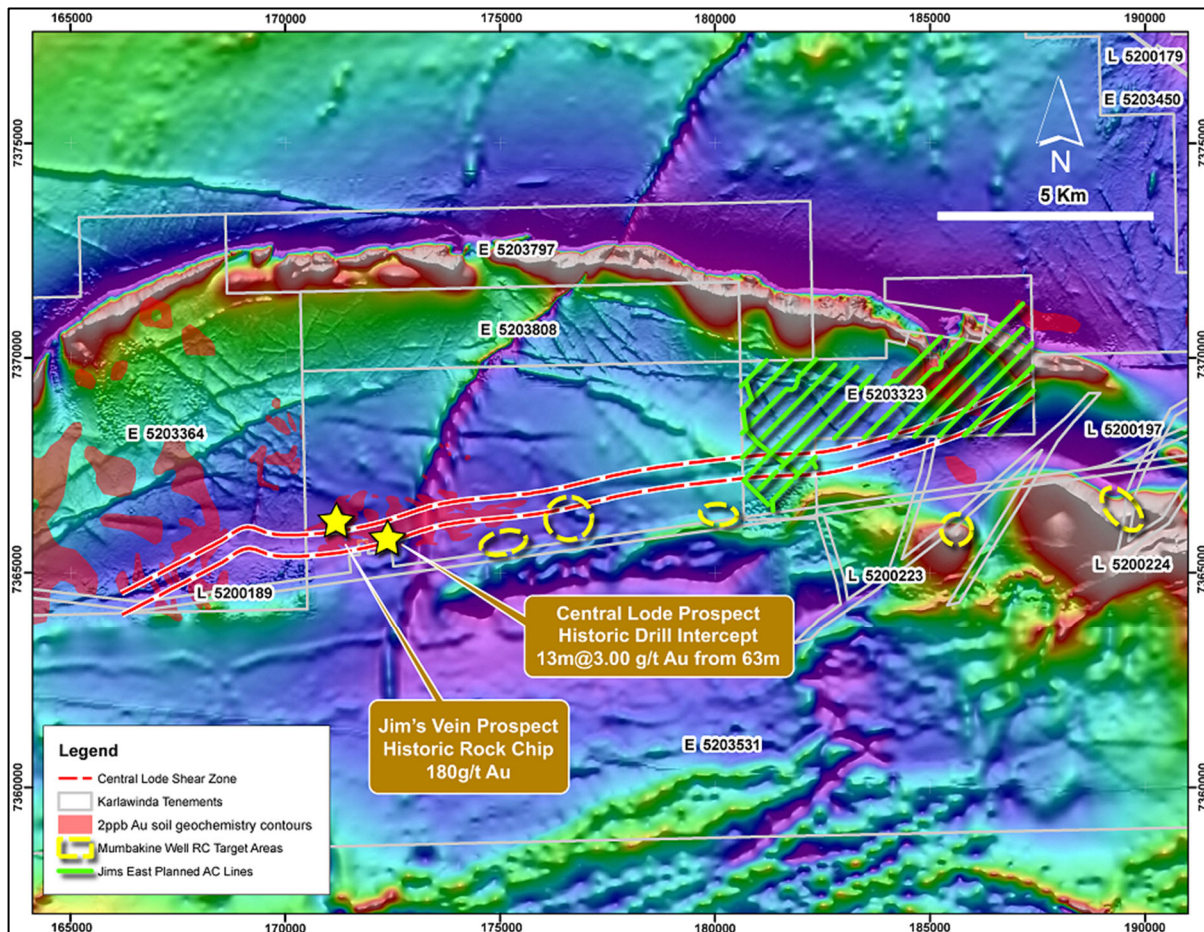


Figure 20. Mumbakine Well Prospect target areas

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

For further information, please contact:

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Chief Executive Officer

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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.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. William Higgins who is a full-time employee of the Company. Mr. Higgins is a current Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Higgins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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 reported in this announcement were announced in the Company’s ASX announcements dated 17 April 2020 and 28 July 2021. 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 17 April 2020 and 28 July 2021 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.

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%
E52/3450	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%
E52/3797	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3808	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	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%
M59/328	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
M59/402	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
M59/403	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
M59/404	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
M59/772	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2439	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E59/2450	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2546	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	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%
E59/2611	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E59/2612	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E59/2655	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	100%
E59/2656	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	100%

E59/2657	Mt Gibson	Greenmount Resources 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%
P59/2309	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2310	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/140	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
L59/198	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L59/45	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
L59/46	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
L59/53	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/11	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/12	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/13	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/14	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/15	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/16	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/17	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/18	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/48	Mt Gibson	Metrovex Pty Ltd	Western Australia	Granted	100%
G59/70	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Granted	100%

Mining tenements acquired during the Quarter

M59/772 & E52/3531

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

84 121 700 105

Quarter ended ("current quarter")

30 June 2022

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	88,311	286,948
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(1,452)	(26,548)
	(c) production	(47,796)	(149,420)
	(d) staff costs	(686)	(2,959)
	(e) administration and corporate costs	(1,114)	(3,599)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	28
1.5	Interest and other costs of finance paid	(402)	(2,729)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	9	37
1.9	Net cash from / (used in) operating activities	36,885	101,758

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	(15,144)
	(b) tenements	-	(11,600)
	(c) property, plant and equipment	(2,440)	(5,364)
	(d) exploration & evaluation	(11,061)	(18,437)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	187	187
	(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	(13,314)	(50,358)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	6,000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(43)
3.5	Proceeds from borrowings	-	20,000
3.6	Repayment of borrowings	-	(25,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(282)	(1,175)
3.10	Net cash from / (used in) financing activities	(282)	(218)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	38,205	10,312
4.2	Net cash from / (used in) operating activities (item 1.9 above)	36,885	101,758
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13,314)	(50,358)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(282)	(218)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	61,494	61,494

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	61,494	38,205
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)	61,494	38,205

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	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	65,000	65,000
7.2	Credit standby arrangements	-	-
7.3	Other (Bank Guarantee)	10,000	10,000
7.4	Total financing facilities	75,000	75,000
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.		
	<p>Project Loan Facility – Loan Facility with Macquarie Bank with funds used for the construction of the Karlawinda Gold Project. The Facility accrues interest at the bank bill rate plus 3% and is repayable in various instalments over a term ending 30 June 2025. A total of \$90m was drawn on the facility with \$25m repaid taking current loan outstanding of \$65m as at 30 June 2022.</p> <p>Guarantee Facility - \$10m Guarantee Facility with Macquarie Bank Ltd to guarantee certain obligations under the APA Gas Lateral Agreement. A guarantee facility fee of 2% per annum is payable and the facility matures on 30 September 2025.</p> <p>Macquarie Bank holds a first ranking, registered fixed and floating charge over all of the assets of Capricorn Metals Ltd and its wholly owned subsidiary Greenmount Resources Pty Ltd as security for the facilities provided by Macquaire.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	36,885
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(11,061)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	25,824
8.4	Cash and cash equivalents at quarter end (item 4.6)	61,494
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	61,494
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	

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

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

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.

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: 27 July 2022

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.