

CAPRICE EXERCISES OPTION IN WEST ARUNTA

SUMMARY

- Caprice exercises option agreement to acquire 90% of the Bantam Project consisting of four tenements (one granted, three applications) in the highly prospective West Arunta region of Western Australia, providing it with the fourth largest land holding in the region.
- High level desktop review completed by Cadre Geological Consultants and geophysicists, Resource Potentials, indicating IOCG prospectivity and multiple targets demonstrating similarities to those representing mineralised carbonatites at WA1 Resources' (ASX: WA1) and Encounter Resources' (ASX: ENR) respective projects.
- AEM geophysical surveys to commence imminently across the granted tenement package, with higher resolution imagery to feed into future drill targeting.
- Executive search process underway to appoint a suitable chief executive officer to drive and deliver on the Company's strategic and exploration goals.
- Heritage agreement review underway with view to signing once review and consultation complete.

Caprice Resources Ltd (ASX: CRS) ("**Caprice**" or "**the Company**") is pleased to advise that the Company has exercised its option under the binding option agreement to acquire 90% of the Bantam Project in the highly prospective West Arunta region of Western Australia ("**Bantam Project**" or "**the Project**") as originally announced on 9 May 2024.¹ Details of the terms of the acquisition are set out in Appendix 1.

The Project consists of four contiguous tenements, granted Exploration Licence E80/5873 and applications for Exploration Licences E80/5872, E80/5896 and E80/5915, and covers over 1,470km² making it one of the largest landholdings in the West Arunta region. The Project is adjacent to and shares a 30km long border with WA1 Resources' (ASX: WA1) West Arunta Project, host to the world class Luni Niobium-REE discovery.

Chairman, Glenn Whiddon, commented:

"We are pleased to have concluded a comprehensive due diligence review, encompassing geological, geophysical, tenement and heritage considerations which has culminated in the decision to exercise the option. This secures Caprice a commanding land position, the fourth largest ASX listed exposure, in this highly fertile and chronically underexplored region which is being proven to host world class discoveries. We look forward to commencing geophysical works upon our granted tenement and building our relationship with the local Kiwirrkurra community as we work through the appropriate heritage approvals process."

¹ ASX Release by CRS dated 9 May 2024 "Caprice to Acquire Niobium-REE Project in West Arunta Region"

Bantam West Arunta Project

The West Arunta is an underexplored region, with historical exploration limited through the lens of copper and gold exploration, primarily targeting IOCG and sedimentary copper and gold deposits.

WA1's Luni and Pachpadra niobium discoveries, along with Encounter Resources' "Crean" niobium discovery, have highlighted the regions prospectivity for niobium and rare earths, generating a new geological model targeting niobium rich carbonatites, hosted within carbonate rich subduction zones along regional and local fault zones.

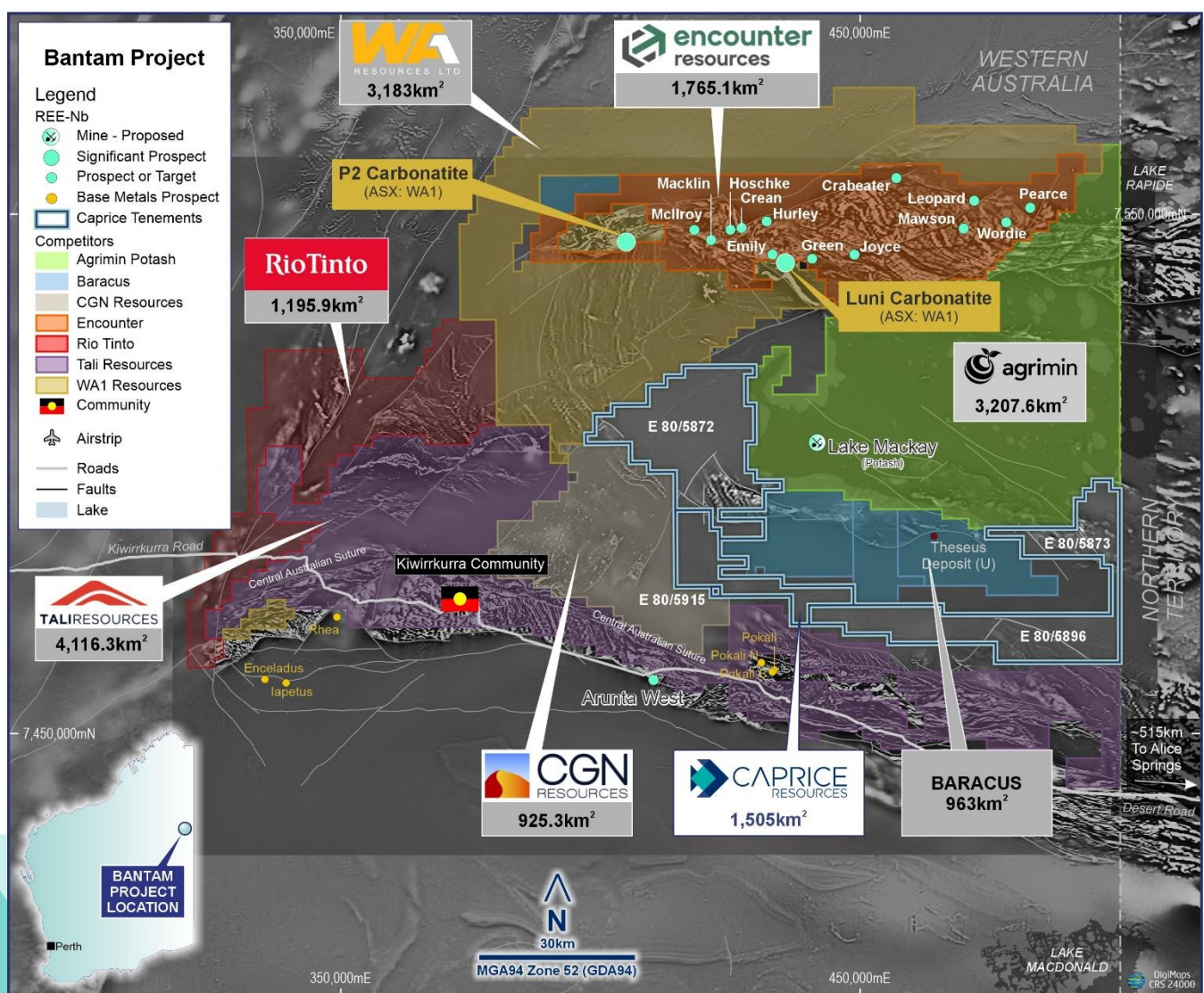


Figure 1 Caprice Bantam Project

High Level Desktop Review

As part of its due diligence activities, Caprice has completed a high level desktop review of the Bantam Project. Experienced geophysical consultant, Resource Potentials, who were a part of WA1's Luni and P2 discoveries, along with Cadre Geological consultants, have compiled all available public data on the Project and produced high priority targets for follow-up exploration work.

The targets are based on trends and structures observed in geophysical surveys overlapping with areas of prospective lithologies which have features similar to those being successfully explored by neighbouring leaseholders for niobium and REE enriched carbonatites and IOCG mineralisation.

The success of peers like WA1 (ASX: WA1), Encounter (ASX: ENR), and Rincon Resources (ASX: RCR) in the area has relied heavily on targeting geophysical features derived from a combination of magnetic and gravity surveys; largely due to the basin fill and ground cover limiting host rock exposures on the ground. Caprice aims to follow a similar path utilising magnetics and gravity to refine high priority targets for ground truthing and drill testing.

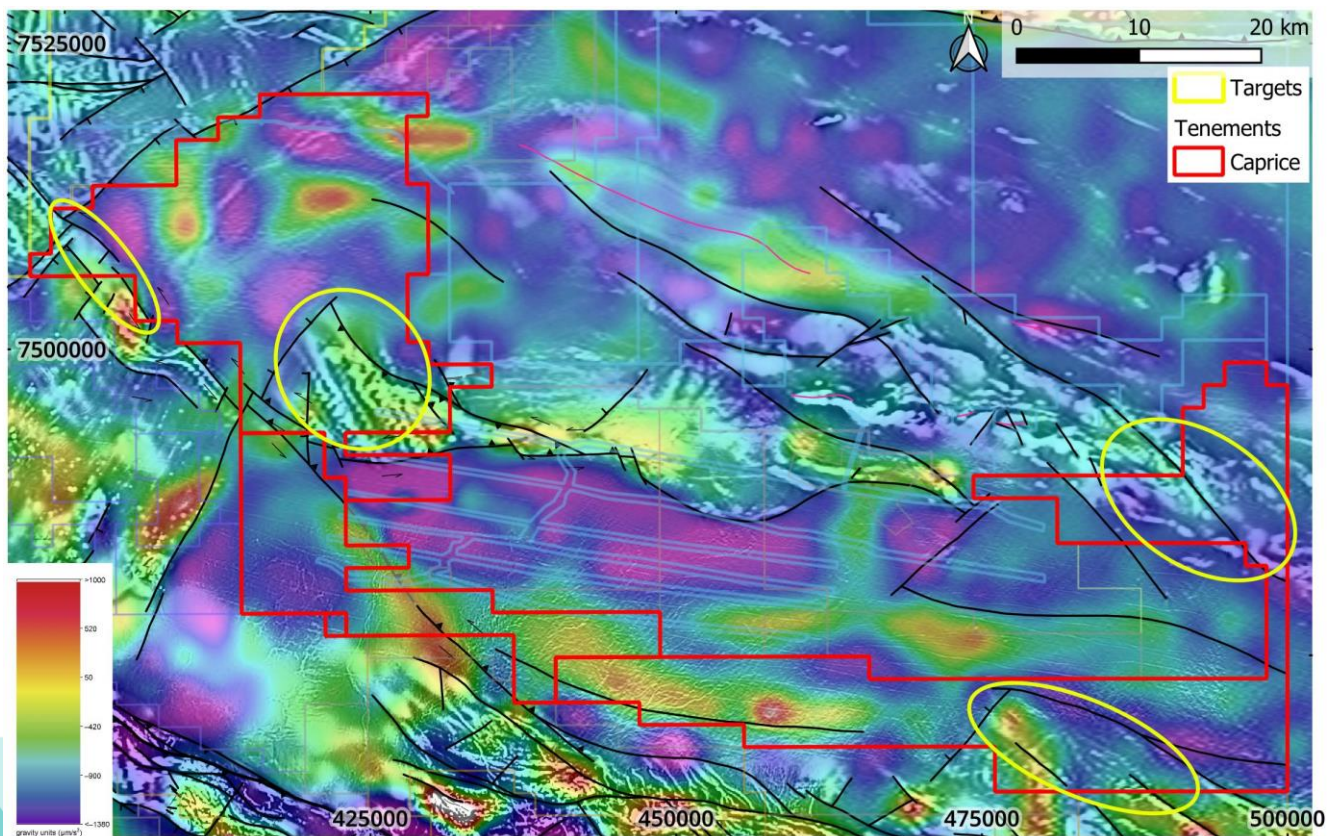


Figure 2 Desktop Targeting with Geological Survey of Western Australia sourced gravity (rgb) over TMI to 1VD.

Geological Summary

The Bantam Project lies within the Arunta Orogeny on the western and southern fringes of Lake Mackay in Western Australia's West Arunta region. Residing on the north side of the Central Australian Suture, the Project contains key Proterozoic units from the Warumpi Province, and the Aileron Province with varying degrees of Neoproterozoic Amadeus basin fill often overlain by Cenozoic cover.

The Project is largely unexplored with historically very little on ground exploration having taken place over the licences. Regional geological mapping, interpretation, and public geophysical surveys available over the area provide the basis for information at the project and has been used to define key target areas with features similar to mineralised locations on neighbouring leases. These targets remain to be investigated in the field and may be refined through higher density geophysical surveying.

Proposed Next Steps

Plans are in place to fast track priority targets through detailed aeromagnetic surveys and on-ground reconnaissance and assessment with the initial focus on granted lease E80/5873.

Licences pending grant (E80/5872, 5896 and 5915) have been subject to desktop review and targeting work with on ground activities to commence post grant. Future works involving ground-based gravity surveys for target refinement will commence following successful heritage negotiations.

Concurrently, an executive search has commenced to identify and appoint a suitably qualified chief executive officer to lead the Company's strategic and operational goals as exploration activities ramp up.

This announcement has been authorised by the Board of Caprice.

The Company is not aware of any reason why the ASX would not allow trading in the Company securities to recommence immediately.

For further information please contact:

Glenn Whiddon

Non-Executive Chairman

glenn@capriceresources.com

Competent Person's Statement

The Exploration Results reported in this announcement are based on, and fairly represent, information and supporting documentation reviewed, and approved by Mr Brodie Box, MAIG. Mr Box is a geologist and has adequate professional experience with the exploration and geology of the style of mineralisation and types of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Box consents to the form and context in which the Exploration Results are presented in this announcement.

Forward-looking statements

This announcement may contain certain forward-looking statements, guidance, forecasts, estimates or projections in relation to future matters (Forward Statements) that involve risks and uncertainties, and which are provided as a general guide only. Forward Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimate", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of the Company. The Company can give no assurance that these expectations will prove to be correct. You are cautioned not to place undue reliance on any forward-looking statements. None of the Company, its directors, employees, agents or advisers represent or warrant that such Forward Statements will be achieved or prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement. Actual results may differ materially from those anticipated in these forward-looking statements due to many important factors, risks and uncertainties. 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, except as may be required under applicable laws.

APPENDIX I: Acquisition Details

As announced on 9 May 2024, Caprice entered into a binding option agreement with HJH Nominees Pty Ltd ("**Vendor**") ("**the Agreement**") to acquire a 90% legal and beneficial interest in granted Exploration Licence E80/5873 and applications for Exploration Licences E80/5872, E80/5896 and E80/5915 ("**Tenements**") and associated mining information ("**the Assets**") ("**Acquisition**"). The Vendor is not a related party of the Company.

The key terms of the Acquisition are set out below. The Agreement otherwise contains terms and conditions considered customary for transactions similar to the Acquisition.

Option

- In consideration for the grant of an exclusive option to acquire a 90% legal and beneficial ownership interest in the Assets ("**Option**"), the Company paid the Vendor a non-refundable option fee of \$30,000;
- The Option is granted for a period of 30 days from the execution date of the Agreement ("**Option Period**"), during which the Company may undertake due diligence on the Assets;
- The Company may exercise the Option at any time during the Option Period.

Conditions Precedent

- Completion of the sale and purchase of the Assets ("**Completion**") is subject to and conditional upon satisfaction (or waiver by the Company) of the following conditions precedent:
 - the Company obtaining all necessary shareholder approvals required to complete the transactions contemplated by the Agreement; and
 - the parties obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers to complete the transactions contemplated by the Agreement, including the Company receiving written confirmation from ASX that the transactions contemplated by the Agreement do not trigger Chapter 11 of the ASX Listing Rules;
- If the conditions precedent are not satisfied (or waived by the Company) on or before the date that is 30 business days from the execution date of the Agreement, then either party may terminate the Agreement;

As announced on 9 May 2024, the Company confirms that it does not intend to seek any shareholder approvals to proceed to Completion. The Company also confirms that it has obtained confirmation from ASX that ASX Listing Rules 11.1.2 and 11.1.3 do not apply to the Acquisition. The conditions precedent are considered to be satisfied / waived.

Consideration

- In consideration for the Acquisition, the Company has agreed to pay the Vendor:

- \$1,030,000 at Completion; and
- the following deferred milestone payments:
 - the sum of \$500,000 on the earlier of 10 business days from the date of grant of E80/5872 and the date that is 12 months after the date of Completion;
 - the sum of \$500,000 on the earlier of 10 business days from the date of grant of E80/5896 and the date that is 12 months after the date of Completion; and
 - the sum of \$100,000 on the earlier of 10 business days from the date of grant of E80/5915 and the date that is 12 months after the date of Completion;

Completion

- Completion is to take place on the date that is 10 business days after the later of the date the Option is exercised and satisfaction or waiver of the last of the conditions precedent.

Royalty

- Upon Completion, the Vendor will be granted a 2% gross production royalty on the sale of any minerals mined from the area of the Tenements ("**Royalty**");
- The Company will be granted:
 - a right of first refusal to acquire the Royalty from the Vendor, if the Vendor elects to divest part or all of the Royalty; and
 - a right to buy-out 25% of the Royalty (being 0.5% of the total 2% Royalty) for \$20,000,000, at the Company's election, at any time during the period on and from Completion and before the commencement of commercial production.

Formation of Joint Venture

- From Completion, the Company and the Vendor will form an unincorporated joint venture in relation to the Tenements (the participating interests will be 90% for the Company and 10% for the Vendor);
- The Company is to free carry the Vendor under the joint venture until a decision to mine is made to develop and mine a deposit within the area of one or more of the Tenements ("**Free Carried Period**");
- During the Free Carried Period, the Company must sole fund all joint venture activities and will have the sole right to determine the nature and content of all joint venture activities and operations and budgets and discretion over the methods and timing to carry out works on the Tenements; and
- The Company is to expend at least \$200,000 in expenditure on E80/5873 by 28 June 2024 (proposed to be satisfied by geophysics programs).

APPENDIX II

TABLE 1. JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

| Criteria | JORC 2012 Explanation | Comment |
|-----------------------|---|---|
| Sampling techniques | <ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> Not applicable, no sampling results reported. |
| Drilling Techniques | <ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |
| Drill sample recovery | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |
| Logging | <ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |
| | <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |

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| Sub-sampling techniques and sampling preparation | <ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> Not applicable, no drilling or sampling results reported. |
| Quality of assay data laboratory tests | <ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> | <ul style="list-style-type: none"> Not applicable, no sampling or assay results reported. |
| Verification of sampling and assaying | <ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> Not applicable, no sampling or assay results reported. |
| Location of data points | <ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> The grid system used for location of the West Arunta tenements is MGA Zone 52, GDA 94. |
| Data spacing and distribution | <ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> | <ul style="list-style-type: none"> Not applicable, no drilling or sampling results reported. |

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| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <ul style="list-style-type: none"> Not applicable, no drilling or sampling results reported. |
| Sample Security | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> Not applicable, no sampling results reported. |
| Audits and Reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> Not applicable, no sampling results reported. |

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC 2012 Explanation | Comment |
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| Mineral tenement and land tenure status | <ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | <ul style="list-style-type: none"> The tenements comprising Caprice's West Arunta Project are granted E80/5873 and applications for E80/5872, E80/5915 and E80/5896. The tenements cover a total area of 1,500 sq km. The tenement holder is HJH Nominees Pty Ltd (HJH). Caprice has executed and exercised an option agreement for 90% ownership of the four tenements held by HJH Nominees Pty Ltd The granted tenement is in good standing and no issues other than those noted here that could impede operation are known. The tenements fall wholly within "A" Class Reserve 24923 – for the use and benefit of Aboriginal Inhabitants. The granted tenement is subject to a condition of the prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on the reserve. The two tenement applications will likely have the same condition if granted. The tenements fall wholly within the Kiwirrkurra People (WCD2001/002) Determination area. A heritage and access agreement will likely be required to allow exploration in the area. Heritage surveys may identify sites that could restrict exploration and development at the tenements. |
| Exploration done by other parties. | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <ul style="list-style-type: none"> Previous exploration at the Project tenements is very limited, with little on ground exploration. Regional data sets including 1:250,000 geological mapping, Magnetic Data (GSWA_80m_Mag_Merge) and Gravity Data (Geoscience Australia Webb Gravity Survey) are available. Toro Energy Ltd explored for Uranium, including air core drilling at the Lake Mackay Project 2008 to 2016 on the southern margin of Lake Mackay, which resulted in the Theseus discovery (not in tenement area). The work mostly covered portions of E80/5873 and E80/5896. Activities also included surface sampling, airborne magnetic survey and |

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| | | <p>TEMPEST Survey. Of the 4 holes in tenement area (E80/5873) all failed to reach bedrock (GSWA report A090597).</p> <ul style="list-style-type: none"> In 2018 Agrimin completed a broad spaced (4,00m and greater) Xcite Electromagnetic helicopter survey which covered portions of the tenement area. Recently, carbonatite-hosted niobium-REE mineralisation has been discovered on tenements that adjoin or are near the Project. |
| Geology | <ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> The tenements are located in the Proterozoic West Arunta Province of Western Australia. The west Arunta Orogen is the western-most part of the Arunta Orogen (equivalent to the Arunta Region in the Northern Territory) and lies across the Western Australian – Northern Territory border. The west Arunta Orogen is interpreted as a basement-involved, thick-skinned, fold-thrust terrain with fault blocks comprising both the Proterozoic basement and rocks from overlying sedimentary basins. Two deformation events are recorded which overprint and reactivate earlier structures and are seen in west-northwest direction and northeast-southwest direction. The geology of the tenement is poorly understood due to the limited exploration and significant cover. Carbonatite-hosted niobium-REE mineralisation has been discovered on tenements that adjoin or are near the Project. IOCG mineralisation has been explored for in the district. |
| Drill hole Information | <ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |
| Data aggregation methods | <ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical</i> | <ul style="list-style-type: none"> Not applicable, no drilling or sampling results reported. |

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| | <p><i>examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').</i> | <ul style="list-style-type: none"> Not applicable, no drilling results reported. |
| Diagrams | <ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | <ul style="list-style-type: none"> Refer to Figures in the text of the ASX Release. |
| Balanced reporting | <ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> | <ul style="list-style-type: none"> Not applicable, no new results reported. |
| Other substantive exploration data | <ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | <ul style="list-style-type: none"> No exploration work has been completed to date. Exploration targets are based on desktop review and interpretation of publicly available data only and are yet to be explored in the field. Regional public data sources include: Magnetic Data (~400m line spacing or better) and Gravity Data (~2.4km ground data point spacing) sourced from the Geological Survey of Western Australia (GSWA). The GSWA provides compiled government and historic company open-file survey data for download. 1:250,000 State interpreted linear structures are also downloaded from the GSWA. |
| Further work | <ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> The desktop studies to refine targets at the Project is ongoing. Upon approval to conduct exploration, a range of activities will be planned that will include geological, geochemical and geophysical surveys. Further work programmes will depend on the outcome from those surveys. |