

CAPRICE COMPLETES ACQUISITION IN WEST ARUNTA

SUMMARY

- Caprice has completed acquisition of 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 booked to commence in late July across the granted tenement package, with higher resolution imagery to feed into future drill targeting.
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Caprice Resources Ltd (ASX: CRS) ("**Caprice**" or "**the Company**") is pleased to advise that, further to its announcements on 9 May 2024¹ and 7 June 2024² regarding the acquisition of 90% of the Bantam Project in the highly prospective West Arunta region of Western Australia ("**Bantam Project**" or "**the Project**"), formal completion has now occurred. 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:

"With the formal completion of the Bantam Project, following our comprehensive due diligence review, encompassing geological, geophysical, tenement and heritage considerations, we are now ready to commence our exploration activities in the West Arunta. The acquisition 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. Geophysical works will commence this month and we look forward to 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"

² ASX Release by CRS dated 7 June 2024 "Caprice Exercises Option in West Arunta"

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.

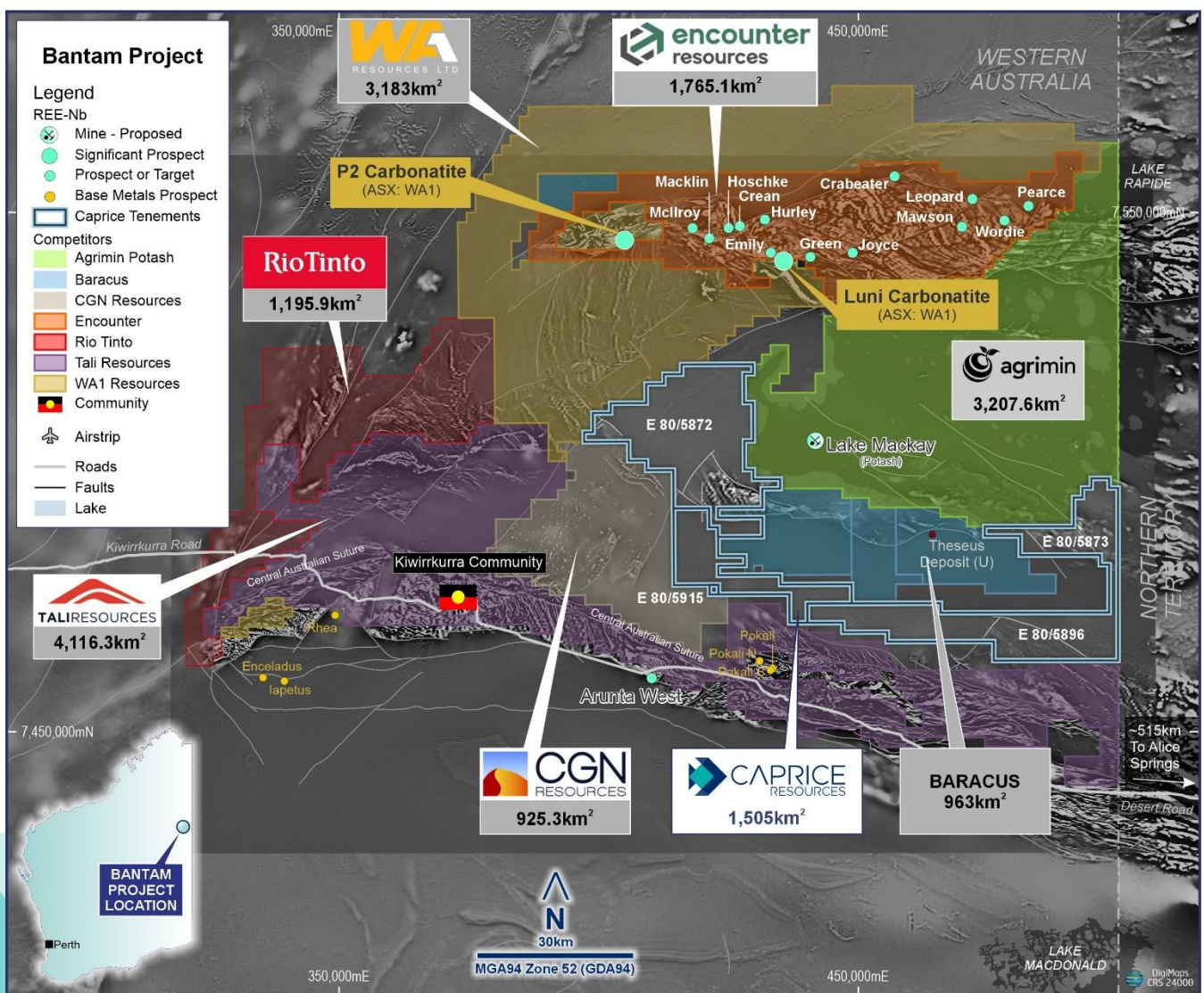


Figure 1 Caprice Bantam Project

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.

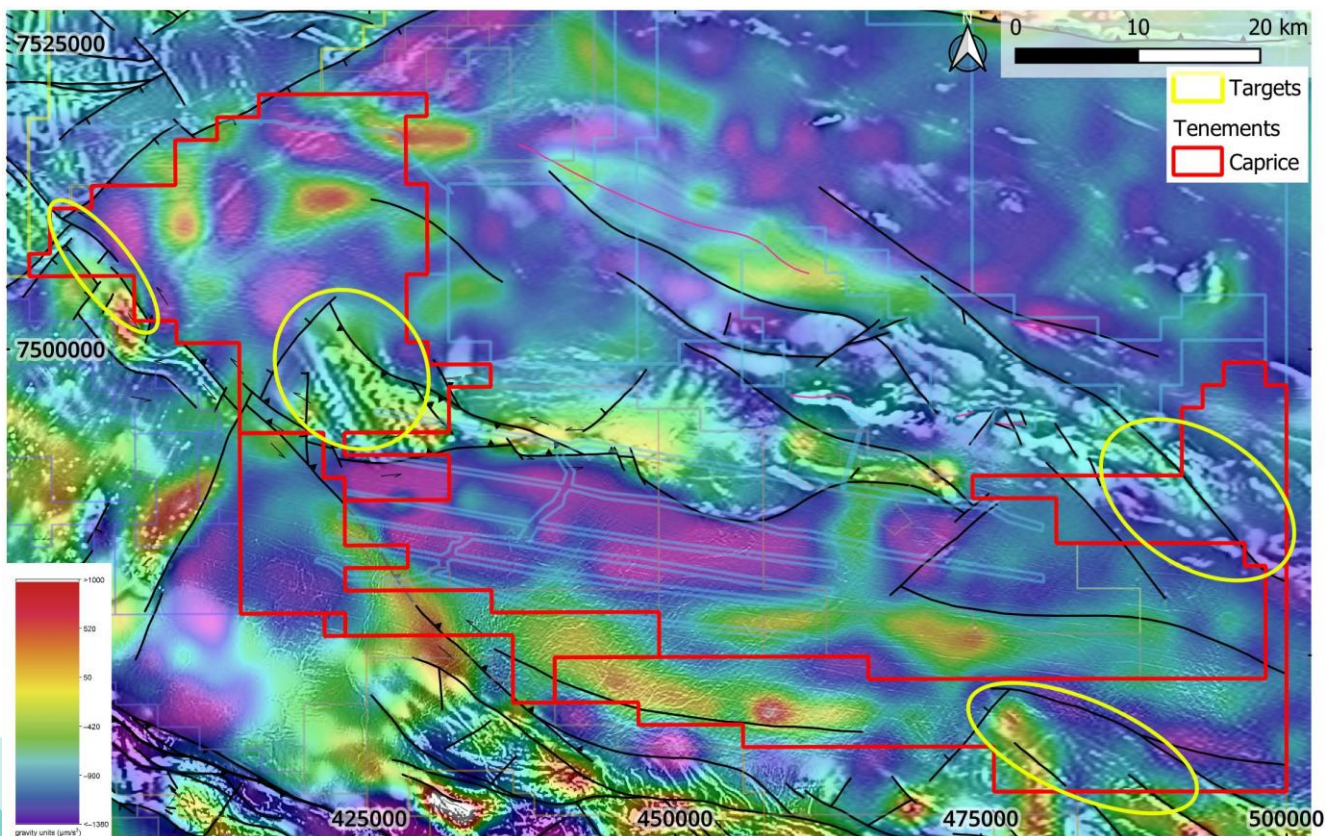


Figure 2 Desktop Targeting with Geological Survey of Western Australia sourced gravity (rgb) over TMI to 1VD.

This announcement has been authorised by the Board of Caprice.

For further information please contact:

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Non-Executive Chairman

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Competent Person's Statement

The Exploration Results reported in this announcement were reported in accordance with Listing Rule 5.7 on 7 June 2024. The Company confirms it is not aware of any new information that materially effects these results.

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 Company announced the exercise of the option on 7 June 2024.

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.