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ASX:CMM

MINING CONTRACT AWARDS UNDERPIN FUTURE OF BOTH KARLAWINDA AND MT GIBSON PROJECTS

HIGHLIGHTS

- Capricorn (ASX:CMM) (Capricorn or the Company) has extended the **Karlawinda** Gold Project (KGP) mining contract with MACA Ltd (MACA) for a further five-year term, with a Capricorn option for further extension.
 - The contract extension confirms the existing unit rate pricing and includes the larger mining fleet required to deliver the increased mining volumes to service the 6.5mtpa, 150,000 ounce pa gold production Karlawinda Expansion Project (KEP).
 - MACA has already mobilised the expanded mining fleet and mining volumes have increased in recent months to complete the early stripping required to service the enduring ore feed rates of the KEP.
- Capricorn has also selected MACA as the preferred mining contractor for the **Mt Gibson** Gold Project (MGGP). This follows a competitive tender process and further progress on regulatory approvals. Pleasingly the unit cost rates in MACA's winning bid strongly validate Capricorn's reserve model costing for the project.
 - The preferred contractor selection locks in the tender pricing subject to usual rise and fall variation but does not place any obligation (financial or otherwise) on Capricorn until such time as regulatory permitting of the project is finalised.
 - The preferred contractor selection will enable MACA to achieve rapid mobilisation when Capricorn is in a position to proceed with project development, derisking equipment lead times and service delivery.
- MACA is a subsidiary of global mining services provider Thiess and is a well-established mining contractor with significant experience and a proven track record in the Australian gold industry. These contract updates continue what has been a very long and successful relationship between Capricorn management and MACA.

KGP Mining Contract Extension

Capricorn is pleased to announce that it has extended the KGP mining contract with MACA for a further five-year term. The contract includes an option at Capricorn's election to extend the contract term beyond the initial five-year term.

The cost of the mining services contract is in line with Capricorn's budgeted unit rates over the contract term. With mining costs accounting for well over half of the project's total operating cost, this is an excellent outcome for the continued robust cost profile of the KGP.

Importantly the award also includes the larger mining fleet required to deliver the increased mining volumes to service the 6.5mtpa ore feed of the KEP.

MACA has mobilised the larger mining fleet and is already achieving the required 1.2 – 1.4 mbcm per month mining volumes required to deliver the enduring ore feed rates of the KEP. These volumes are being targeted prior to KEP start up in order to strip waste material sufficiently to provide access to the increased long term ore supply.

MGGP Preferred Contractor

Capricorn has also issued a notice of preferred mining contractor status to MACA for the MGGP mining contract. This follows a competitive tender process with a number of very capable mining contractors. Pleasingly the unit cost rates in MACA's winning bid strongly validate Capricorn's reserve model costing for the project.

The selection of MACA as the preferred mining contractor follows Capricorn's recent progress on regulatory permitting for the project. The Company has now submitted the final Public Environment Report (PER) to the Department of Climate Change, Energy, the Environment and Water (DCCEEW). This follows previous receipt of guidelines for the PER and ongoing feedback on the document from DCCEEW. This submission commences the public exposure and final assessment process.

The preferred contractor selection locks in the tender pricing subject to usual rise and fall variation but does not place any obligation (financial or otherwise) on Capricorn until such time as regulatory permitting of the project is finalised.

The contract (subject to customary conditions precedent, including permitting) will have an initial 5-year term and a further 5 year extension at Capricorn's option. The early selection of MACA as preferred contractor will enable it to achieve rapid mobilisation when Capricorn is in a position to proceed with project development, derisking equipment lead times and service delivery.

Capricorn Executive Chairman Mark Clark commented:

"We are pleased to have executed a 5-year extension of the mining contract with MACA for Karlawinda that confirms existing unit cost rates and is already delivering the increased mining volumes required to underpin the exciting Karlawinda expansion project. This expansion will lift the operation to 6.5mtpa and increase annual gold production to around 150,000 ounces.

To secure MACA's services as preferred mining contractor for the Mt Gibson project at unit cost rates in line with our reserve model costing is strong validation of the project's economics. The award also puts MACA in an excellent position to rapidly advance early mining works once Capricorn completes the current regulatory permitting phase and launches development.

We thank MACA for its strong contribution to our business to date and look forward to working together successfully with the MACA team for many years to come."

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

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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.