

ACTIVITIES REPORT

SEPTEMBER 2022 QUARTER

Capricorn Executive Chairman Mark Clark said the Company's performance was regrettably overshadowed by the tragic fatality at the Karlawinda Gold Project on 13 October 2022.

Mr Clark said "Capricorn expresses its deepest condolences to the family, friends and colleagues of the late person. The Company continues to work with MACA Ltd and the WA Department of Mines, Industry Regulation and Safety (DMIRS) in relation to investigations into the fatal incident".

OPERATIONS

- Karlawinda Gold Project (KGP) September 2022 quarter (Q1) gold production of 31,005 ounces (Q4: 32,018 ounces). FY23 guidance of 115,000 – 125,000 ounces.
- Q1 All-in-sustaining-cost ("AISC") of \$1,166 per ounce is at the lower end of FY23 guidance of \$1,160 - \$1,260 per ounce.
- Strong cashflow from operations continues with \$38.5 million (Q4: \$38.1 million) generated in Q1 reflecting industry leading cashflow generation per ounce metrics.

CORPORATE

- Maiden profit after tax of \$89.5 million reported for FY22 after the completion of a successful first year of operations at the KGP
- Cash and gold on hand at quarter end of \$69.1 million (Q4: \$65.9m) after \$15 million debt repayment reflecting cash build of \$18.2 million (Q4: \$20.9 million) after \$11.6 million spent on over 77,000 metres of exploration drilling in Q1 (refer below).
- Net cash of \$19.1 million at end of Q1, up from net cash of \$0.9m at end of Q4.
- Gold sales of 26,304 ounces at average price of \$2,586/oz generated \$68.0 million in revenue with a further 5,329 ounces of gold on hand at the end of the quarter valued at \$13.8 million (Q4: 1,664oz's).
- Early repayment reduced bank debt to \$50 million and Capricorn converted its project loan with Macquarie Bank into a general-purpose corporate loan with a single bullet repayment in June 2025.

EXPLORATION

Mt Gibson

- A total of 28,698 metres (182 holes) of RC resource definition and extension drilling programme completed in Q1.
- Assays received during the quarter from 224 holes continue to return exceptional results within and extensional to the resource including:

Outside current resource

- | | |
|--|--|
| • 8 metres @ 11.24g/t from 76 to 84m | • 9 metres @ 7.68g/t from 63 to 72m |
| • 8 metres @ 14.51g/t from 203 to 211m | • 34 metres @ 1.29g/t from 156 to 190m |
| • 10 metres @ 7.12g/t from 261 to 271m | • 17 metres @ 2.43g/t from 162 to 179m |
| • 18 metres @ 3.95g/t from 312 to 330m | • 3 metres @ 13.65g/t from 93 to 96m |

Within current resource

- | | |
|---|--|
| • 24 metres @ 20.9g/t from 48 to 72m* | • 21 metres @ 4.77g/t from 222 to 234m |
| • 14 metres @ 12.85g/t from 208 to 222m | • 7 metres @ 12.34g/t from 125 to 132m |
| • 18 metres @ 6.20g/t from 124 to 142m | • 12 metres @ 6.38g/t from 37 to 49m |
| • 47 metres @ 2.36g/t from 78 to 125m | • 19 metres @ 3.87g/t from 229 to 248m |

* hole was drilled down dip of the mineralisation for metallurgical testwork purposes therefore intercept is not true width

- Drilling on the unmined Saratoga and Orion North trends (east of the main Gibson trend) continues to define zones of better grade within, and extensionally below, the resource shell.

- Capricorn has, to date, expanded the programme from 81,000 metres to 117,000 metres in order to follow up and extend strong results returned both within and outside the current resource optimisation shell.
- Results from this extended programme of drilling will be included in the updated Mineral Resource Estimate (MRE) and maiden Ore Reserve Estimate (ORE) both targeted for completion in Q2.
- Water and sterilisation drilling commenced and project development studies continuing.
- 30,000 metres first pass regional exploration AC and RC drilling across a number of high priority target areas to commence in the December 2022 quarter pending receipt of POW approvals.

Karlawinda

- KGP Ore Reserves increase by 12% to 1,344,000 ounces from 1,201,000 ounces, an increase of 283,000 ounces (24%) after accounting for mining depletion.
- KGP Mineral Resources increase by 7% to 2,291,000 ounces from 2,145,000 ounces (increase of 13% after accounting for mining depletion of 141,000 ounces)
- 12,210 metres (50 holes) of resource infill and extension RC drilling programme completed in Q1 included in above updates.
- Assays have been returned from 51 holes with encouraging gold results including:
 - 4 metres @ 24.75 g/t from 276 to 280m
 - 22 metres @ 3.79 g/t from 171 to 193m*
 - 23 metres @ 2.32 g/t from 244 to 267m
 - 1 metre @ 52.4 g/t from 299 to 300m*
 - 27 metres @ 1.91 g/t from 238 to 265m
 - 10 metres @ 5.04 g/t from 99 to 109m*
 - 22 metres @ 1.88 g/t from 273 to 295m*
 - 17 metres @ 2.31 g/t from 215 to 232m*
- High grade intercepts have been returned near the base of, below and along strike of resource pit optimisations, which remain open down dip and south along strike.



MGGP – Completed RC drilling at the Lexington waste dump (Looking South)

SEPTEMBER 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 continued to perform strongly in Q1 with gold production of 31,005 ounces (Q4: 32,018 ounces). This excellent result is in line with the annual guidance range of 115,000 – 125,000 ounces and was achieved despite a scheduled three-day shutdown of the processing plant to complete a mill reline.

Cash cost before royalties for the quarter was \$1,051 per ounce and the AISC was \$1,166 per ounce which is at the lower end of the AISC guidance range of \$1,160 - \$1,260 per ounce. The AISC was lower than the previous quarter driven primarily by lower mining of waste volumes in the Bibra open pit resulting in a significantly lower strip ratio achieved due to mining ore in areas of the pit that have been opened up in prior periods. Consequently, ore stocks on the run-of-mine stockpiles increased by 486,000 tonnes during the quarter.

Operating results for the KGP for Q1 were as follows:

	<i>Unit</i>	Sep 22Q	Jun 22Q	Mar 22Q	Dec 21Q
Operations					
Ore mined	BCM ('000)	737	546	750	892
Waste mined	BCM ('000)	3,095	3,357	2,505	1,582
Stripping ratio	w:o	4.2	6.1	3.3	1.8
Ore mined	t ('000)	1,606	1,153	1,589	1,998
Ore milled	t ('000)	1,120	1,172	1,148	1,150
Head Grade	g/t	0.92	0.89	0.92	0.90
Recovery	%	93.8	95.0	93.8	91.3
Gold production	Oz	31,005	32,018	31,769	30,316
Financial					
Cash cost	A\$/oz	1,051	1,067	942	842
Cash cost inc. royalties	A\$/oz	1,166	1,196	1,054	963
All-in sustaining cost	A\$/oz	1,166	1,199	1,086	1,048

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

Mining

Mining continued in the Bibra open pit with total movement of 3.8 million BCM during the quarter slightly down from 3.9 million BCM in the June 2022 quarter with the three mining fleets operating throughout the period.

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 decreased to 4.2 (w:o) as ore mining increased on ore zones opened up in prior periods in stage 3 of the Bibra open pit. The lower strip mined in this quarter is in line with the anticipated strip ratio for FY2023 of 4.5.

A total of 1.6 million tonnes of ore was mined during the quarter, with ore stocks increasing to 2.6 million tonnes.



Bibra open pit

Processing

Mill throughput was down slightly from the previous quarter due to a scheduled mill shutdown to complete the first ball mill reline. A total of 1.12 million tonnes of ore was processed at a head grade of 0.92g/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 activities were suspended on 13 October 2022 after a significant incident resulted in the fatality of an employee of the earthmoving contractor MACA Ltd. Capricorn continues to work with MACA Ltd and the WA Department of Mines, Industry Regulation and Safety (DMIRS) in relation to investigations into the incident. Full mining operations are yet to resume. Once cleared by DMIRS to resume load and haul activities, Capricorn will advise the ASX. Processing has continued from ore stockpiles. At this time the suspension of mining activities is not expected to impact the annual production guidance range of 115,000 - 125,000 ounces.



Corporate

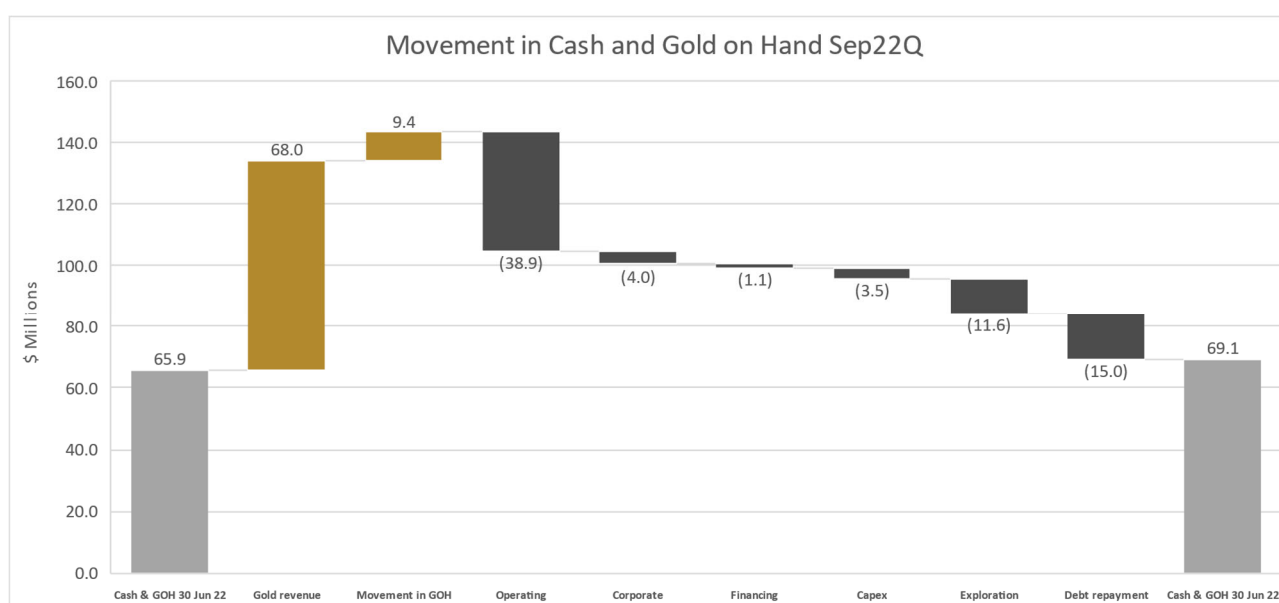
Financial Results

Capricorn reported a maiden profit after tax of \$89.5 million for the year ended 30 June 2022 after completion of a successful first year of operations at the KGP. The Company generated EBITDA of \$153.9 million at an EBITDA margin of 53.6% confirming Karlawinda's status as a low cost, high margin project.

Cash and Bullion

The KGP generated another strong quarter of operating cashflow of \$38.5 million (Q4: \$38.1 million) which saw Capricorn cash and bullion holdings increase to \$69.1 million (Q3: \$65.9m). The strong performance at KGP facilitated the early repayment of \$15 million of the debt facility. Since first gold production on 30 June 2021, the Company has repaid a total of \$40 million of debt reducing the bank debt to \$50 million. As announced in July 2022, the Company has restructured its financing facility with Macquarie Bank by converting 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.

The net cash position of the Company at the end of the quarter was \$19.1 million, an increase of \$18.2 million from the previous quarter.



Gold Sales & Hedging

During the quarter Capricorn sold a total of 26,304 ounces achieving an average gold price of \$2,586 per ounce for \$68.0 million. At the end of the quarter the Company had 5,329 ounces (Q4: 1,664 oz) of gold on hand valued at \$13.8 million.

The Company delivered 7,140 ounces into spot deferred contracts at an average delivery price of \$2,681 per ounce. The remaining 19,164 ounces of sales were delivered at the prevailing spot price achieving an average gold price of \$2,550 per ounce.

At the end of the quarter the Company has 164,947 ounces of flat forward contracts remaining at an average delivery price of \$2,260 per ounce. The Company has 3,947 ounces of flat forwards due for delivery in the December 2022 quarter at an average delivery price of \$2,250 per ounce.

Payments to Related Parties

During the quarter, payments to related parties of Capricorn and their associates (being the Company's directors) totalled \$418,321. The payments were remuneration for their roles, including superannuation.

Exploration

Mt Gibson

Mt Gibson Gold Project

Resource 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.

Two RC rigs continued during Q1 completing 28,698 metres, taking cumulative RC drilling to date to 109,356 metres (696 holes). Following a review of very encouraging ongoing results Capricorn has extended the programme to 117,000 metres to continue testing strong extensional areas (refer Figure 1).

Drilling to date has covered, to varying degrees, the majority of the mine trend, which hosts the current 2.08 million ounce resource.

Wide spaced exploration RC drilling has commenced directly east of the main mine trend where untested north striking greenstone rocks have been identified in recent drone magnetic geophysical surveys (targets reported in previous exploration update). It is encouraging that areas have been identified with broad zones of strong sulphide occurrences (pyrite) and magnetite alteration intersected. This structural and geological setting is considered analogous to mineralised zones within the MGGP.

RC drilling in the east will also include sterilisation drilling covering areas where major mining infrastructure is planned to be located (refer Figure 1).



MGGP – Near mine exploration drilling east of Hornet Pit (Looking West)

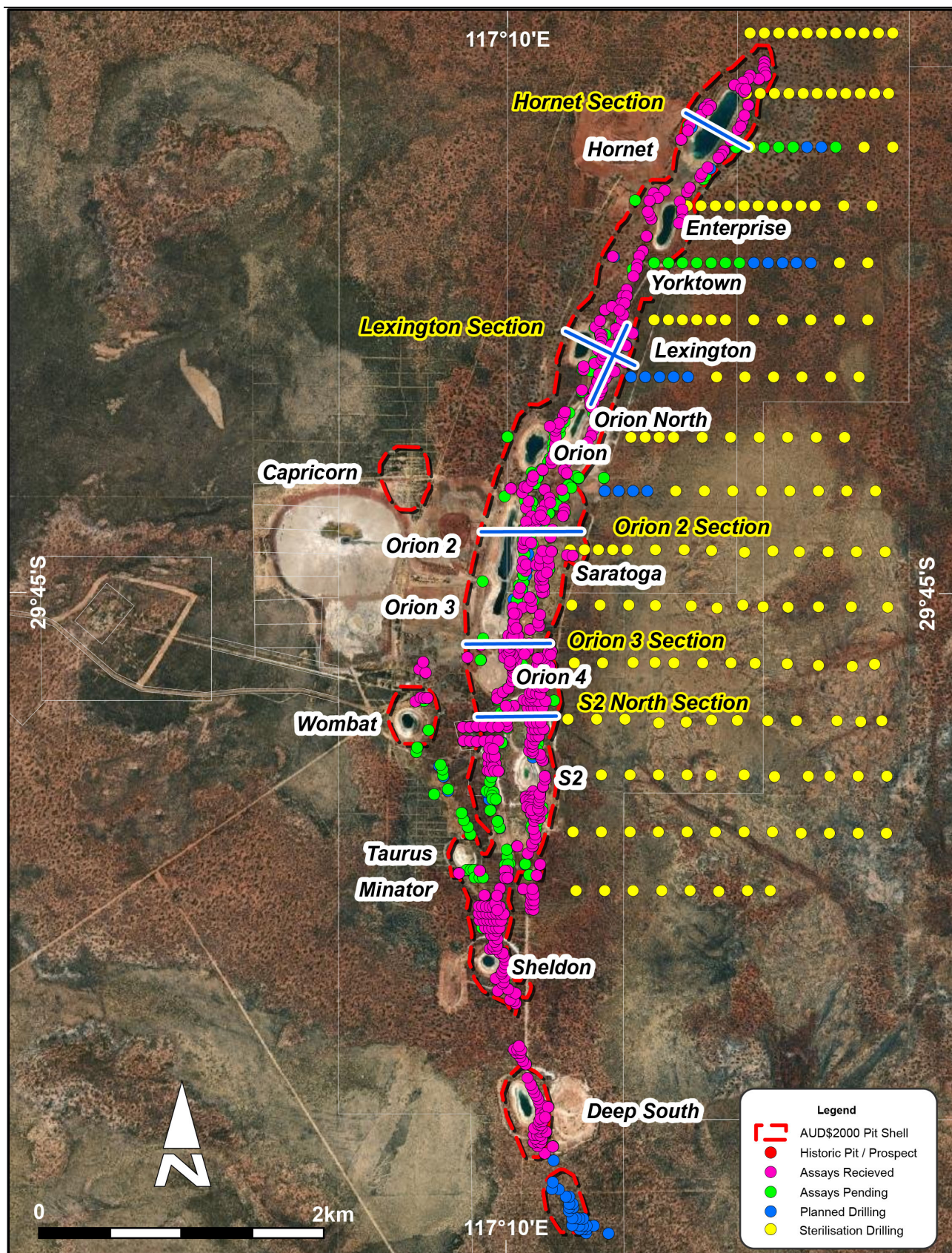


Figure 1. Drilling progress over the MGGP 8km long mine trend & MRE pit crests along with first pass eastern exploration holes and sterilisation drilling.

Assays have now been received from the first 559 holes (91,457 metres). Assays received from 224 holes since the last update continue to return very encouraging results including:

Hole ID	Easting	Northing	From (m)	To (m)	Width (m)	Grade (g/t Au)
CMDD0004 ⁺	516336	6709100	48	72	24	20.9
CMDD0011	516050	6708753	176	192	16	3.16
CMRC0108	516092	6706954	52	58	6	11.74
CMRC0119	515964	6707709	37	49	12	6.38
CMRC0155*	516149	6705707	76	84	8	11.24
CMRC0163	516302	6705024	49	61	12	6.65
CMRC0245*	516266	6706686	63	72	9	7.68
CMRC0285	516666	6710659	125	164	39	1.45
CMRC0289	516168	6709368	208	222	14	12.85
CMRC0290*	516197	6709430	261	271	10	7.12
CMRC0294	516183	6709439	206	215	9	5.58
CMRC0295	516249	6709389	67	75	8	8.35
CMRC0296	517714	6712239	80	108	28	1.96
CMRC0298	517613	6712230	222	243	21	4.77
CMRC0299	517628	6712254	229	248	19	3.87
CMRC0300*	517545	6712166	312	330	18	3.95
CMRC0306	517628	6712215	236	242	6	10.98
CMRC0315*	516061	6708581	203	211	8	14.51
CMRC0316	516026	6708432	150	153	3	18.62
CMRC1082	516350	6707950	37	45	8	6.33
CMRC1090	516288	6708049	125	132	7	12.34
CMRC1164	516804	6710549	54	78	24	2.78
CMRC1165	516796	6710537	78	125	47	2.36
CMRC1166	516779	6710493	124	142	18	6.2
CMRC1172	516765	6710460	87	104	17	4.04
CMRC1192	516516	6709850	30	39	9	6.34

* significant intercept is outside the current 2021 MRE

* hole was drilled down dip of the mineralisation for metallurgical testwork purposes therefore intercept is not true width

Results of this extended programme will underpin an updated MRE and a maiden ORE both targeted for completion in the December 2022 quarter.

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 (79.7Mt at 0.8g/t Au for 2.083 million ounces) 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.

Broad Mineralised Zones on Unmined Structures

Drilling along the Saratoga trend, Lexington Waste Dump and Orion North trend (unmined structure to the east of the main mined Mt Gibson trend) continued to define multiple parallel zones of better grade within the resource shell and assay results that extend below the resource shell (refer Figure's 2 & 4 – Long Section and Cross Section).

Long Sections and Cross Sections

Figure 1 above shows the drilling activity from the infill and extensional RC programme and the location of the following long and cross sections.

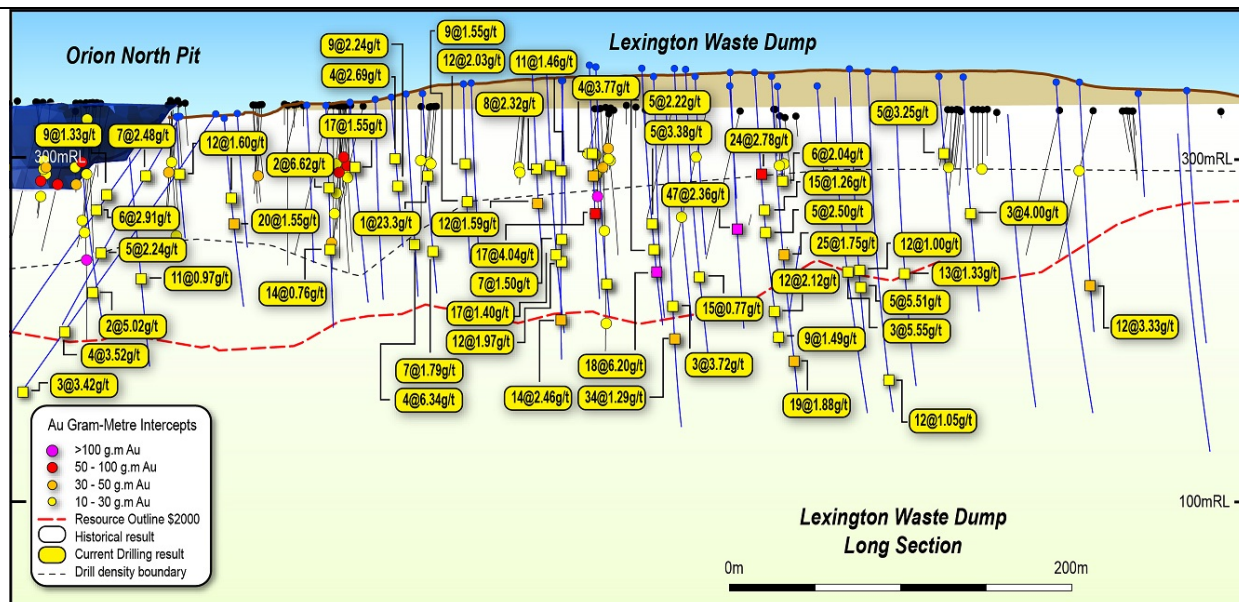


Figure 2. Lexington East Long Section with significant broad mineralisation intersected outside Resource

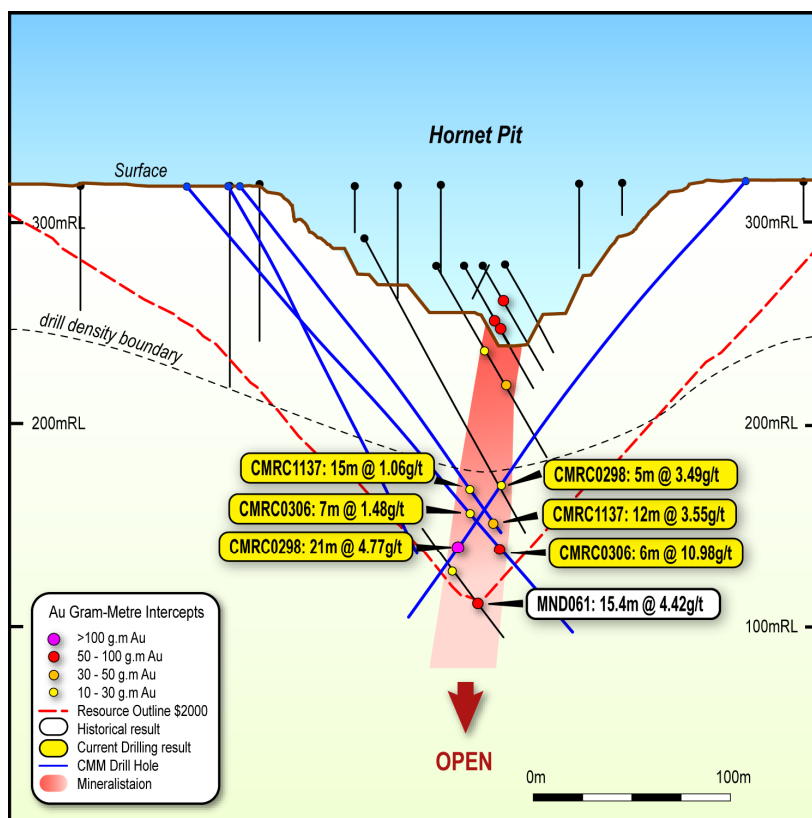


Figure 3. Hornet cross section

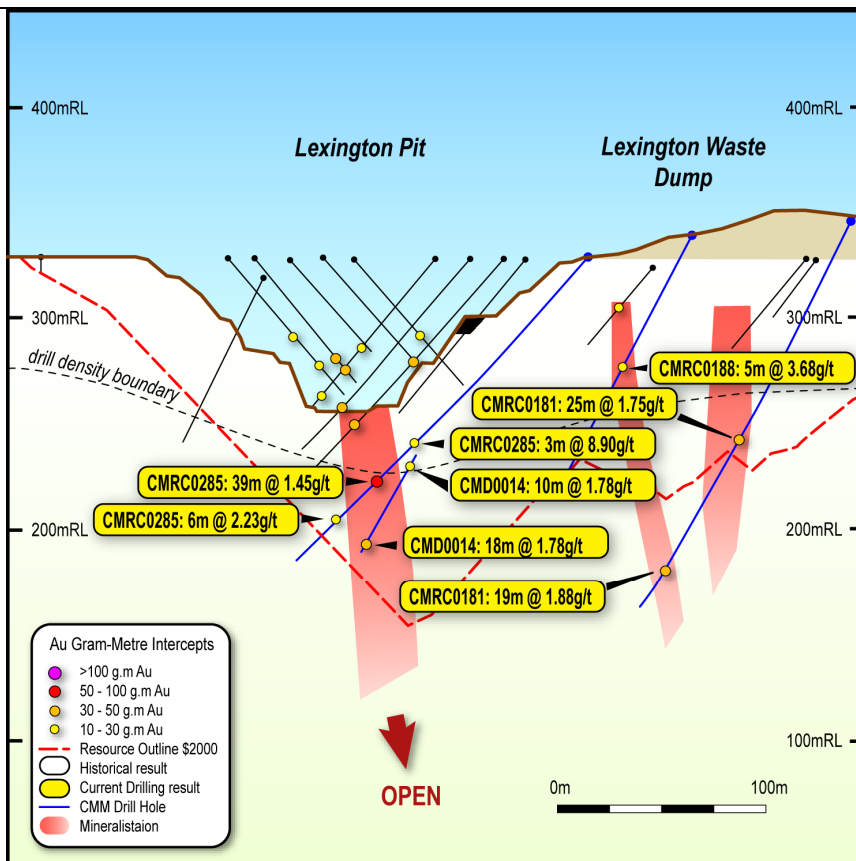


Figure 4. Lexington and Lexington Waste Dump cross section

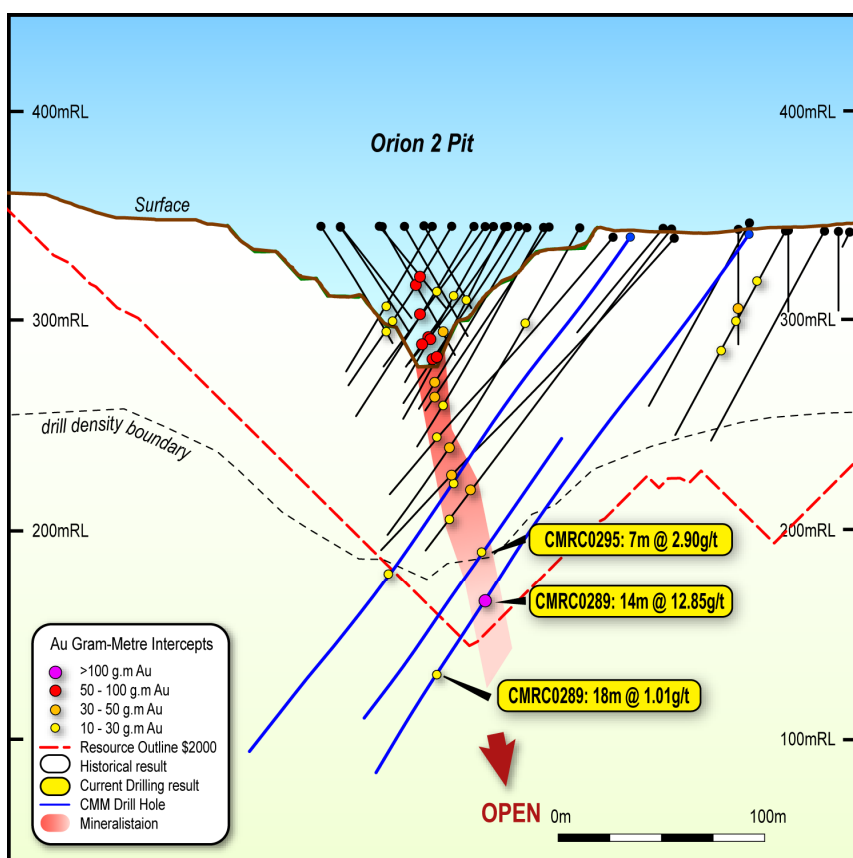


Figure 5. Orion 2 cross section

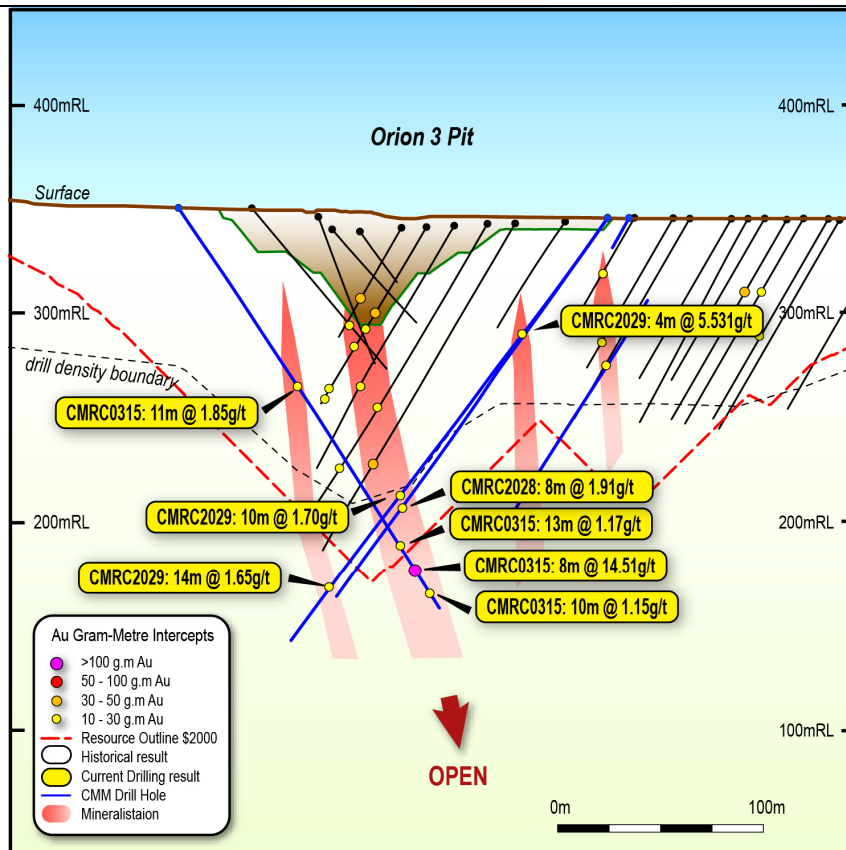


Figure 6. Orion 3 cross section

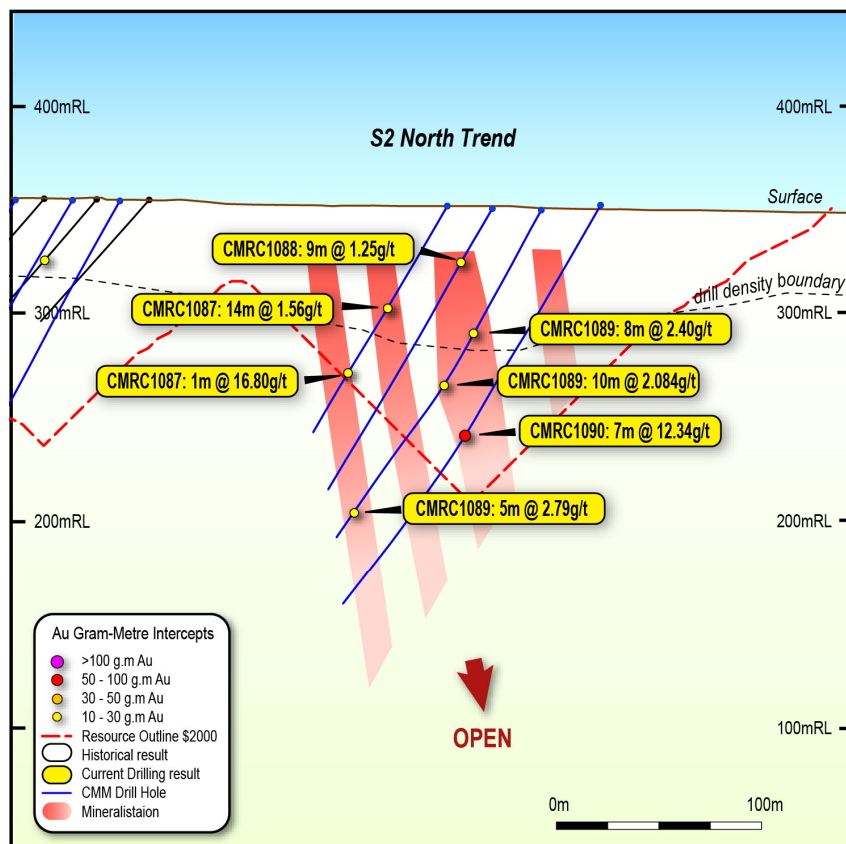


Figure 7. S2 North cross section

Regional Exploration

A 30,000 metre first pass regional exploration AC and RC drill programme is planned to commence in Q2 with phase one drilling focusing on the McDonalds/Highway Area (refer Figure 8). Commencement is pending receipt of approval of submitted POW applications.

The previously reported drone magnetic geophysical survey completed over the northern extent of the Mt Gibson mine trend upgraded current imagery which has generated multiple high priority targets. Imagery has defined geological and structural signatures north of the current mine trend that are known to host mineralised deposits elsewhere within the MGGP.

During the quarter mapping 3km to the north of the mine area has identified north striking historic workings. From the recent geophysical data and lithologies identified the prospective areas are interpreted to be a northern extension of the main Mt Gibson mine trend. The targets are predominantly located under 5 to 20 metres of cover however an outcropping shear zone interpreted to be an extension of the worked shear was located 200m to the south (refer Figure 9).

Further surface sampling and mapping is planned in the target area with first pass drilling to be undertaken on positive results.

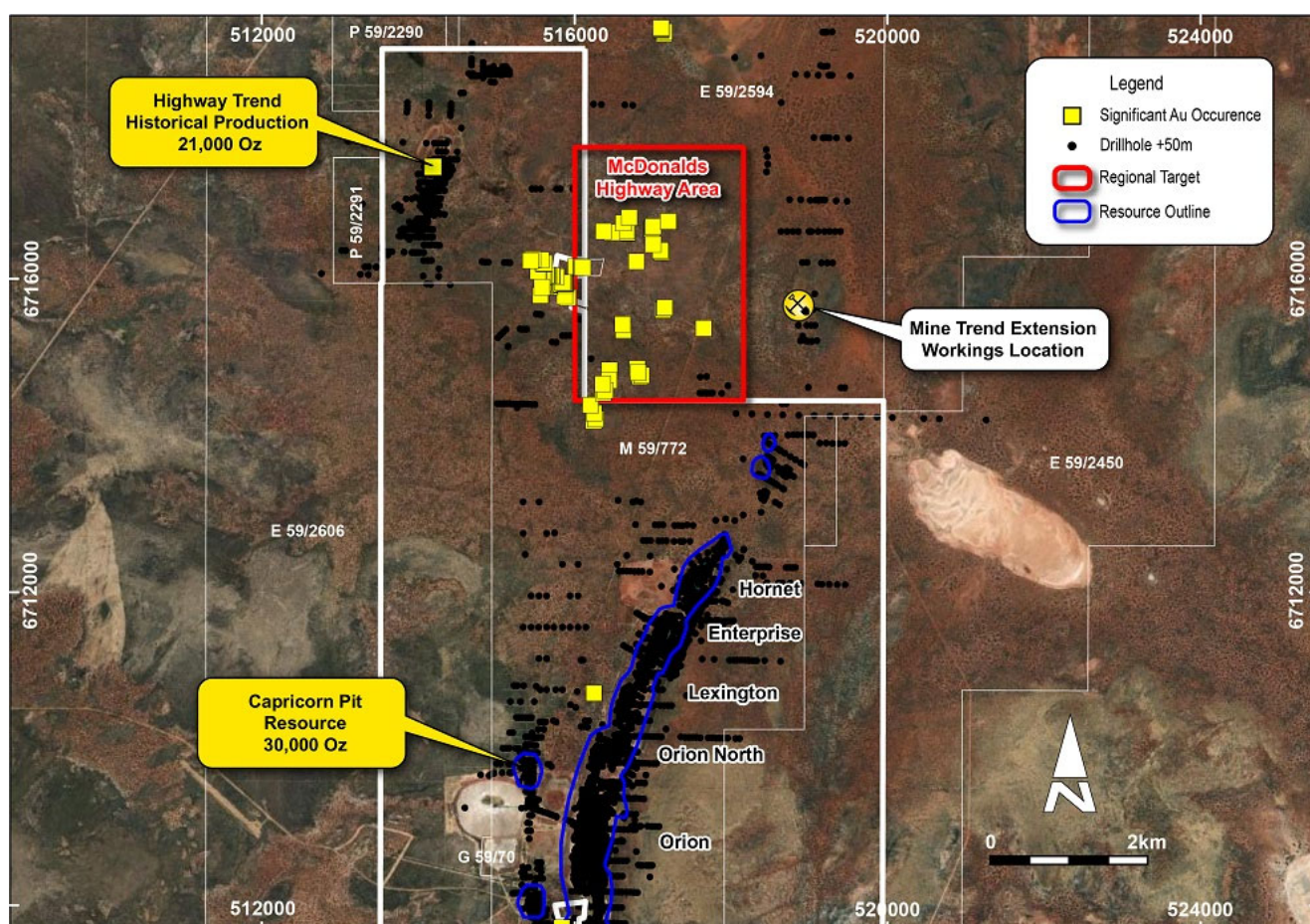


Figure 8. Regional exploration targets including planned AC drill area and newly identified northern mine trend workings in close proximity to 2.08 million ounce Mt Gibson Resource.



Figure 9. Mapped north-south striking shear zone within historic working (Left). Sampling of an interpreted to extension of the worked shear located 200m to the south (right).

Project Development

During the quarter hydrological exploration and testwork commenced with a total of 15 holes drilled for 1,356 metres. Early testwork identified multiple positive flow locations which will now be targeted to install production water bores for further monitoring and analysis.

In the previous quarter a total of 3,522 metres (20 holes) of diamond drilling were completed for technical studies to inform the maiden ORE and feasibility studies. All holes have now been cut and sampled and sent to laboratories for waste rock, metallurgical and geotechnical testwork programmes to investigate and define geochemical properties, optimal processing parameters and associated metallurgical performance of ore and waste to be mined from the project.

Continued 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.

Technical work and studies continued across numerous disciplines as required for reserve estimation, feasibility studies, permitting applications and ultimately project development in parallel with the resource definition drilling. Results of this work will provide inputs for the update to the MRE and maiden ORE, both targeted for completion in Q2.

Karlawinda Gold Project

Infill and Extensional RC Drilling

At Capricorn's wholly owned KGP a near mine 30,518 metre (135 holes) RC drill campaign was carried out from March to August 2022. The programme aimed to infill and extend the 2020 MRE of 86.7Mt @ 0.80 g/t for 2.15 million ounces of gold.

Drilling returned high grade intercepts near the base of, below and along strike of current resource pit optimisations, which remain open down dip and south along strike. Significant results of the program include:

Hole ID	Easting	Northing	From (m)	To (m)	Width (m)	Grade (g/t Au)
KBRC1819	203583	7369128	96	117	21	1.64
KBRC1820	203577	7369106	94	113	19	1.62
KBRC1826*	203593	7369076	273	295	22	1.88
KBRC1828	203633	7369046	222	242	20	1.3
KBRC1827	203589	7369025	241	270	29	0.94
KBRC1831	203564	7368993	245	275	30	0.98
KBRC1830	203583	7368986	244	267	23	2.32
KBRC1839	203595	7368968	238	265	27	1.91
KBRC1840	203572	7368955	276	280	4	24.75
KBRC1814	203489	7368872	70	74	4	7.27
KBRC1864	203475	7368798	215	230	15	1.79
KBRC1808	203412	7368791	232	251	19	2.05
KBRC1808*	203412	7368791	299	300	1	52.4
KBRC1812	203471	7368773	206	231	25	1.21
KBRC1809	203469	7368749	215	232	17	2.31
KBRC1863	203474	7368746	214	235	21	1.22
KBRC1793	203697	7368380	144	146	2	15.71
KBRC1802*	203918	7368108	99	109	10	5.04
KBRC1754	203564	7367973	54	60	6	4.36
KBRC1844	203655	7367741	138	144	6	5.88
KBRC1782*	203843	7367667	169	172	3	11.16
KBRC1748*	203754	7367482	152	174	22	1.2
KBRC1867*	203703	7367464	171	193	22	3.79

*Intercept is outside the current 2021 MRE

All the results have been received and included in updates to the MRE and ORE detailed below.

Updated Ore Reserve Estimate

The recent drilling detailed above at both Bibra and the contiguous Southern Corridor deposits at the KGP has contributed to a significant increase in Ore Reserves to 1,344,000 ounces. The drilling successfully targeted conversion of Inferred resources to Indicated in the area of the resource immediately down dip of the 2020 reserve pit design, underpinning conversion of significant economic ounces to reserves.

The KGP JORC compliant ORE has been updated to 53.0 million tonnes at 0.8g/t gold for 1,344,000 ounces compared with the March 2020 estimate of 43.5 million tonnes at 0.9g/t gold for 1,201,000 ounces.

Highlights of the reserve update include:

- Contained gold increases 143,000 ounces from the 2020 estimate to 1,344,000 ounces, an increase of 283,000 ounces (24%) after mining depletion.
- Stripping ratio (waste:ore) materially unchanged (2020: 3.6 v 2022: 3.9).
- Expected project life in excess of 12 years.
- Estimate uses lower cut-off grades of 0.3g/t (laterite & oxide ore) and 0.4g/t (transition & fresh ore) and a gold price of A\$1,900 per ounce (circa A\$700/oz lower than current spot price) was used for the ORE pit shells.
- Mine scheduling will continue to deliver the >0.5g/t mined ore to the mill and the 0.3 – 0.5g/t mine ore to a stockpile for processing in later years of the project.
- The >0.5g/t ore within the ORE is 36.7 million tonnes at 1.0g/t for 1,124,000 ounces.
- The updated estimate has been refined to reflect knowledge gained through the first 12 months of production and grade control data, further adding to the robustness of the reserves.
- Maximum vertical depth of ORE open pit design is 275 metres (2020: 250m).

Updated Mineral Resource Estimate

The recent drilling has also contributed to a significant increase in the KGP MRE to 2,291,000 ounces. The KGP JORC compliant MRE is 99.2 million tonnes at 0.7g/t gold for 2,291,000 ounces compared to the March 2020 estimate of 86.7 million tonnes at 0.8g/t gold for 2,145,000 ounces. This is a 146,000 ounce (7%) increase before depletion, and a 287,000 ounce (13%) increase after depletion.

The MRE was estimated using a gold price of A\$2,200 per ounce (circa A\$400/oz lower than current spot price) It is very encouraging to note that the 947,000 ounces of the MRE that are currently not included in the ORE are primarily located immediately down dip of the current pit design.

The maximum vertical depth of the MRE pit shell is 345 metres.

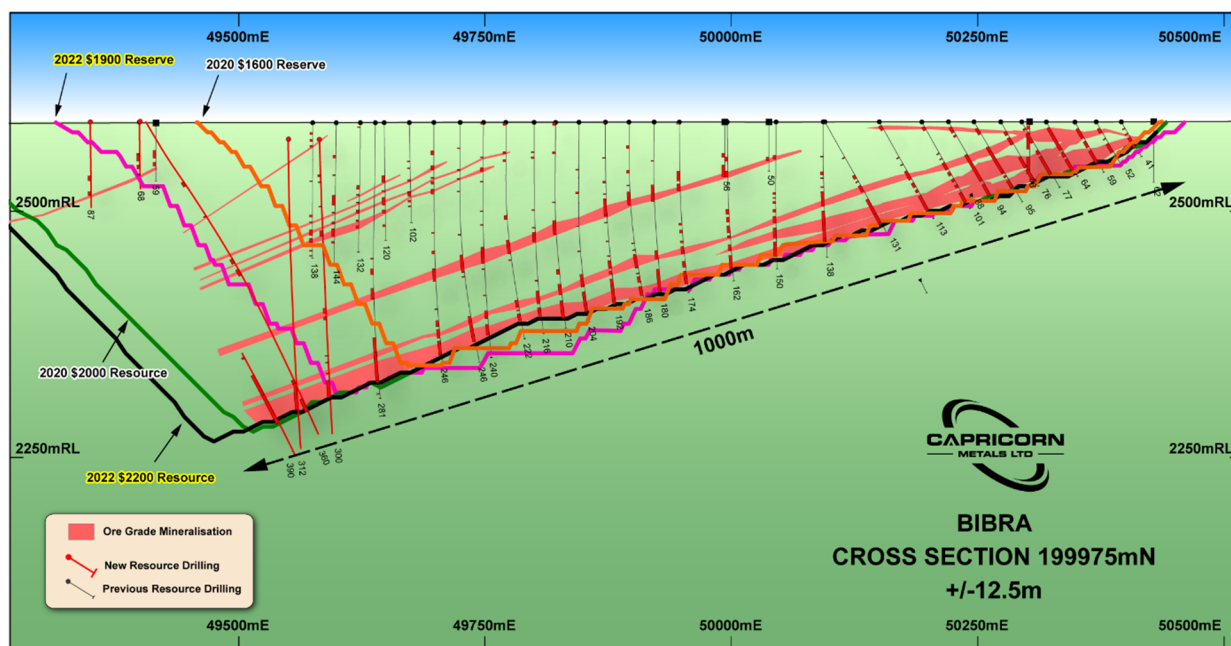


Figure 10: Karlawinda Ore Reserve Bibra Pit and Resource shell cross section

Regional Exploration

Multiple exploration projects were advanced during the quarter. Active project areas are situated proximal to either the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin (refer Figure 11).

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 Capricorn tenure, the Sylvania Inlier and Pilbara Craton margin are considered a high strain zones with high prospectivity for mineralising fluids with origins from igneous intrusions. This Craton boundary is interpreted to play a significant role in the placement of ore forming fluids at the +2Moz Bibra gold deposit.

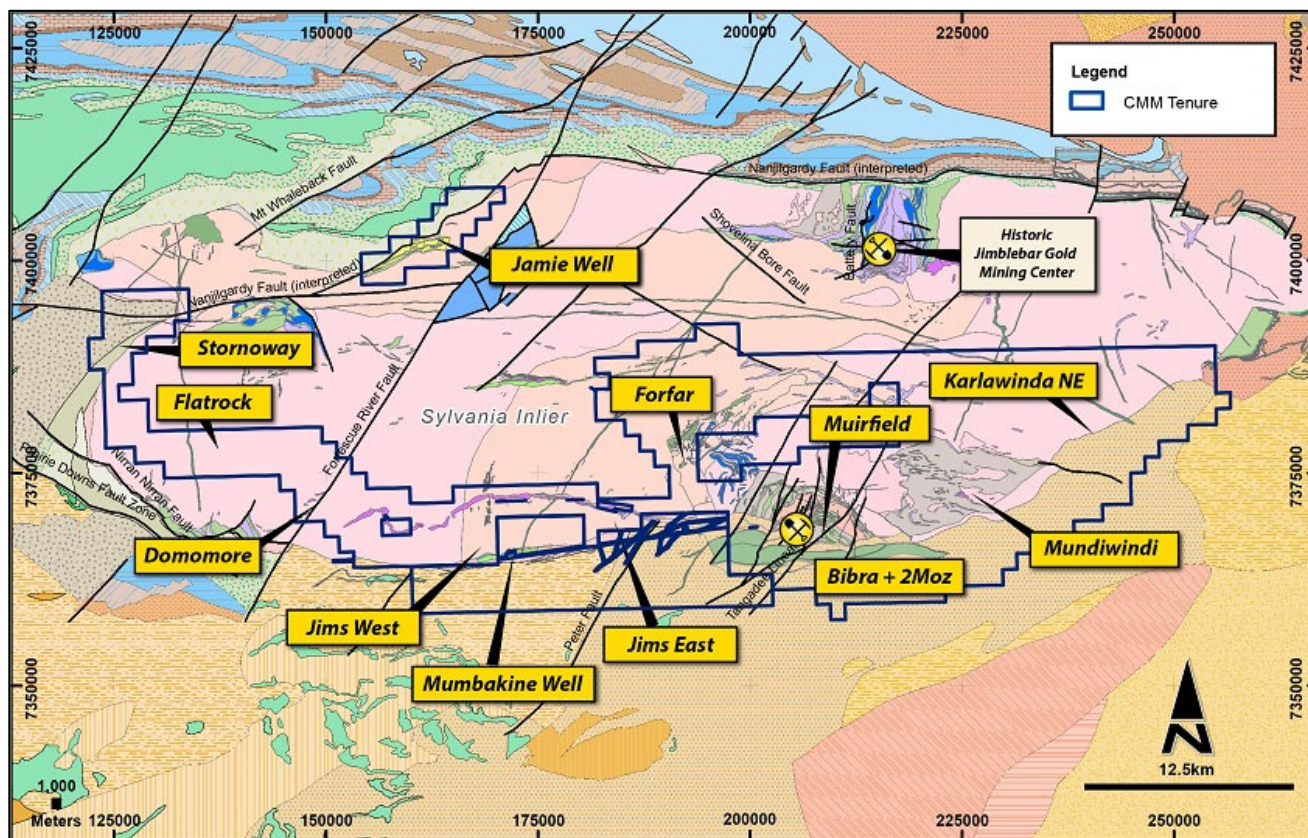


Figure 11. Karlawinda regional exploration targets

Muirfield

The Muirfield Prospect is located approximately 4 kilometres east of the Bibra open pit (refer Figure 12). During the quarter wide spaced drilling to east of previously reported intercepts continued to intersect multiple gold zones including 4m @ 2.72 g/t from 120m (KBRC1860) and 4m @ 2.44 g/t from 116m (KBRC1853). Mineralisation remains open to the north and has similar geological characteristics to the Bibra deposit with intense zones of silica+sericite+biotite alteration associated with quartz veining and pyrite + arsenopyrite. Mineralisation intersected warrants follow up work with RC drilling planned for early 2023.

Forfar

The Forfar prospect is situated 15km NW of the Bibra open pit. Structurally the area sits on the same NW trending thrust zone as the +2Moz Bibra Deposit and consists of greenstone, mica schist, and ultramafic intruded by granite and pegmatites, fringed in the west by BIF and Chert.

First pass AC drilling commenced during the quarter with 5,115m (126 holes) drilled over the southernmost part of the prospect. Results returned to date contain anomalous pathfinders including Ag, Mo, W, and Pb within intensely sheared sediments/mica-schist and across granitic contacts. The pathfinder trends have identified lithological and inferred structural controls of potential mineralisation.

AC drilling of the prospect will be completed, along with infills across lithological contacts and anomalous pathfinder trends in the south.

Jims East

Jims East first pass AC drilling (148 holes for 4,737m) was completed during the quarter. The main target of the programme is the ENE trending Central Lode Shear Zone associated with gold at the Central Lode prospect to the west. Within the project area, the inferred extension of this shear zone is covered by the Palaeozoic Bangemall Group, which prevented the AC rig from reaching the targeted units. This first phase of drilling served to establish a model of the cover to assist with further planning and will be followed up by RC drilling early in 2023.

Mumbakine Well

The newly acquired Mumbakine Well Project is located 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 connecting the KGP 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 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.

An ethnographical survey was carried out over the majority of the project in September 2022, with geochemical ultrafine surface sampling (UFF) to commence imminently. Aircore drilling will follow in early 2023. Undercover gravity high and structural anomalies have been identified and present priority RC drill targets, which will also be drilled in early 2023. The RC drill targets are proximal to the craton margin and display similar geological and geophysical characteristics to the Bibra gold deposit.

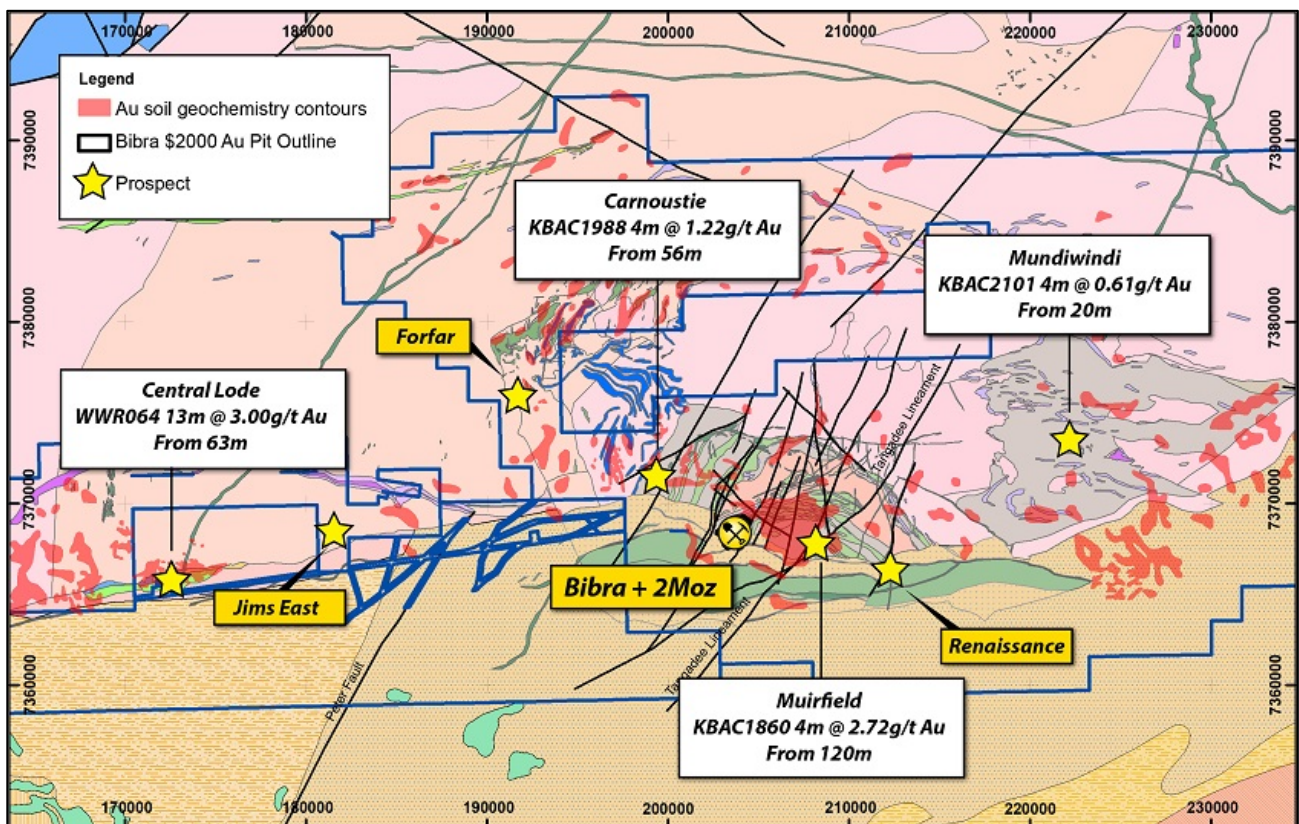


Figure 12: Near mine current and future CMM targets showing historic and newly identified gold occurrences along the Sylvania Inlier and Pilbara Craton margin.

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 extracted from ASX Announcement released on 25 October 2022 entitled “Further Strong Results Returned from Mt Gibson and Karlawinda Drilling” and for which Competent Person consents were obtained. The Competent Person consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

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 27 October 2022 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 27 October 2022 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%
E59/2594	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%
E59/2751	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%

E59/2752	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
E59/2753	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
E59/2754	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	100%
E59/2755	Mt Gibson	Crimson Metals 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

Nil

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 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	68,022	68,022
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(38,933)	(38,933)
	(d) staff costs	(3,111)	(3,111)
	(e) administration and corporate costs	(926)	(926)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	119	119
1.5	Interest and other costs of finance paid	(841)	(841)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	9	9
1.9	Net cash from / (used in) operating activities	24,339	24,339

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3,548)	(3,548)
	(d) exploration & evaluation	(11,593)	(11,593)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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	(15,141)	(15,141)

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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(15,000)	(15,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(391)	(391)
3.10	Net cash from / (used in) financing activities	(15,391)	(15,391)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	61,502	61,502
4.2	Net cash from / (used in) operating activities (item 1.9 above)	24,339	24,339
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15,141)	(15,141)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15,391)	(15,391)

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	55,309	55,309

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	55,309	55,309
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)	55,309	55,309

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	418
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. 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	50,000	50,000
7.2	Credit standby arrangements	-	-
7.3	Other (Bank Guarantee)	10,000	10,000
7.4	Total financing facilities	60,000	60,000
7.5	Unused financing facilities available at quarter end		Nil
7.6	<p>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> <p>During the September 2022 quarter the Company made an early repayment of \$15m on its Project Loan Facility before converting the remaining balance of \$50m to a Corporate Loan Facility. The Corporate Loan Facility with Macquarie Bank represents 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 full on 30 June 2025.</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 subsidiaries Greenmount Resources Pty Ltd, Crimson Metals Pty Ltd, Metrovex Pty Ltd as security for the facilities provided by Macquarie.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	24,339
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(11,593)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	12,746
8.4	Cash and cash equivalents at quarter end (item 4.6)	55,309
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	68,055
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	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: N/A</p>	

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 October 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.